

THE TORONTO STOCK EXCHANGE

FILING STATEMENT NO. 1271.
FILED, MARCH 4th. 1965.

ACME GAS & OIL CO., LIMITED

Full corporate name of Company

Ontario Letters Patent dated July 12, 1929

Particulars of incorporation (e.g., Incorporated under Part IV of the Corporations Act, 1953
(Ontario) by Letters Patent dated May 1st, 1957).

FILING STATEMENT

Reference is made to previous
Filing Statement No. 1247.

(To be filed with respect to any material change in a company's affairs, including among other things,
an underwriting and option agreement, an issue of shares for property and a proposed re-organization.)

1. Brief statement of the material change in the affairs of the company in respect of which this statement is filed.

The Board of Directors has authorized the acquisition (subject to the approval of The Toronto Stock Exchange) from Bert W. Lang of his option to purchase a block of twenty mining claims in Joutel Township, Quebec, situate less than a mile west of the mining property of Equity Explorations Limited.

2. Head office address and any other office address.

Suite 1705
80 Richmond Street West, Toronto 1, Ontario

3. Names, addresses and chief occupations for the past five years of present or proposed officers and directors.

Bert W. Lang, President & Director, Mining Executive, 2577 Lakeshore Blvd. W., Toronto 14, Ontario.
J. L. C. Jenner, Vice-President & Director, Barrister & Solicitor, 3 Crediton Court, Islington, Ontario.
J. T. Garrow, Q. C., Director, Barrister & Solicitor, 34 Chestnut Park Rd., Toronto 5, Ontario.
D. H. Stodart, Director, Chartered Accountant, 49 Plymbridge Rd., Willowdale, Ontario.
R. A. Cranston, Q. C., Secretary and Director, Barrister & Solicitor, 220 Cortleigh Blvd., Toronto 12, Ontario.
E. A. Pigulski, Treasurer and Assistant Secretary, Accountant, 36 Saybrook Avenue, Toronto, Ontario.
John Lindsay, Assistant Treasurer, Accountant, 112 Goulding Avenue, Willowdale, Ontario.

4. Share capitalization showing authorized and issued and outstanding capital.

Authorized 7,000,000 No par value
Issued 2,891,232
In addition to this, 700,000 shares have been set aside and are reserved for the exercise of subscription warrants expiring March 10th, 1965.

5. Particulars in respect of any bonds, debentures, notes, mortgages, charges, liens or hypothecations outstanding.

NONE

6. Details of any treasury shares or other securities now the subject of any underwriting, sale or option agreement or of any proposed underwriting, sale or option agreement.

The company has offered 700,000 shares at the price of 25¢ per share through the issuance of 2,800,000 rights. Each holder of rights may purchase one share for every four rights and 25¢. The rights are exercisable on or before March 10th, 1965.

J. Bradley Streit & Co. Limited has agreed to underwrite on its own behalf as to 50% and on behalf of a client as to the other 50% at the price of 25¢ per share all of the shares not subscribed for.

The company has authorized the granting of incentive options to employees of the company as follows:

The aggregate number of shares to be optioned to employees shall not exceed 100,000 shares. An employee may be granted an option on a number of shares not to exceed a maximum number of shares shown in the last column below opposite his category of employment. The options shall be exercisable at the price of 20¢ per share or at such price as the directors may determine, provided the price shall not be at a discount greater than 25% below the market price at the date of granting of the options. The options will not be exercisable till after completion of four months' continuous service and must be exercised on or before July 2nd, 1966, or on or before the date which is thirty days after the termination of employment, whichever is the earlier date. Subject as above provided the options will be exercisable from time to time as to a number of shares determined by multiplying the number of complete months of continuous service by one-twelfth of the number of shares optioned until the option is fully exercisable.

Category	Maximum Number of Shares
Exploration Manager, Geologist- Engineer in Charge and Head Office Manager	18,000
Geophysicist, Consultants, Senior Geologist and Senior Instrument Operators	12,000
Junior Geologist, Junior Instru- ment Operators, Accountant and Property Records Clerk	9,000
Other Employees	6,000

Under the above scheme, incentive options on an aggregate of 73,000 shares have been granted to employees.

FINANCIAL STATEMENTS

ACME GAS & OIL CO., LIMITED

Statement of Source and Application of Funds

From January 1, to February 15, 1965

Source of Funds

Instalment payment oil lease & well receivable	\$ 17,164.91	
Interest on balance owing on above	411.02	
Interest on Mortgage	487.50	
Current portion of mortgage and accrued interest receivable	7,889.04	
Current portion oil lease and well receivable	15,000.00	
Subscription for 700,000 shares capital stock @ 25¢	<u>175,000.00</u>	\$ 215,952.47

Application of Funds

Exploration and Development:

Maps and Prints	\$ 259.94	
Maintenance & Repairs to Equipment	315.54	
Ground Geophysical Surveys	4,336.54	
Airborne Geophysical Survey	213.43	
Consultants' Fees & Expenses	591.50	
Line-cutting	2,907.78	
Trenching	240.00	
Miner's license	100.00	
Extension & Filing Fees	879.50	
Camp Supplies & Expenses	1,268.28	
Field Supplies & Expenses	409.52	
Transportation	<u>624.69</u>	
	\$ 12,146.72	

Administrative Expenses:

Shareholders' Reports & Meetings	\$ 1,501.53	
Stock Certificates & Warrants	560.22	
Advertising - Notices to unregistered shareholders	375.50	
Filing Fees - T.S.E.	200.00	
Office Salaries	874.50	
Office Services & Accommodation	300.00	
Telephone & Telegraph	91.95	
Stationery & Printing	19.06	
Postage	26.08	
Interest charges	49.63	
Sundry	<u>4.64</u>	\$ 4,003.11

Mining Properties

Acquisition Cost	\$ 69,025.00	
Transfers	<u>70.00</u>	\$ 69,095.00

Cost of Supplementary Letters Patent 735.00

Equipment Purchases 5,043.63 91,023.46

Increase in Working Capital \$ 124,929.01

Increase in Working Capital

Accounts Receivable -		
re oil lease and well account	\$ 15,000.00	
re mortgage	7,889.04	
Accrued Interest	812.98	
Subscriptions for 700,000 additional shares	<u>175,000.00</u>	
	\$ 198,702.02	
Prepaid Expense	480.00	
Taxes payable on Income - paid	<u>2,014.42</u>	\$ 201,196.44

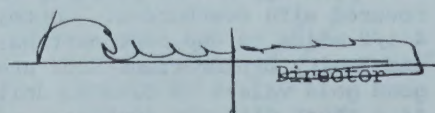
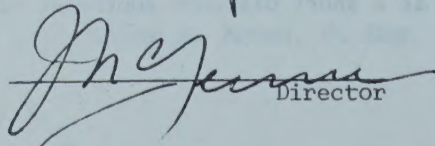
Decrease in Working Capital

Cash in Bank	\$ 204.17	
Accounts Payable	74,164.26	
Wages Payable	<u>1,899.00</u>	76,267.43

Net Increase in Working Capital \$ 124,929.01

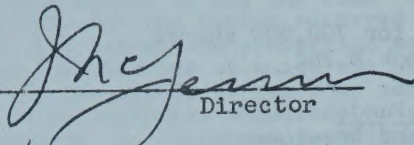
NOTE: \$55,000.00 re sale of 60 miles of former railway right-of-way received February 24th, 1965.

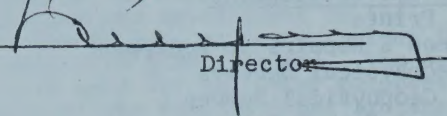
APPROVED:


 Director

 Director

RE ACME GAS & OIL CO., LIMITED

The undersigned certify that there have been no material changes in the items on the Balance Sheet as at December 31st, 1964, since the date thereof, except as set forth in the Filing Statement of the Company dated the 2nd day of March , 1965.


Director


Director

March 2, 1965

ENGINEER'S REPORT

Note:-The following are excerpts from a report by W. F. Brown, B. Sc., P. Eng., dated March 2nd, 1965, on mining claims located in Joutel and Valrennes Townships, Province of Quebec. A complete copy of this report is on file with the Toronto Stock Exchange.

Location and Access

Acme Gas & Oil Co., Limited have optioned a group of claims in Joutel and Valrennes Townships, Abitibi East, Province of Quebec, Canada.

The Harricana River crosses the property which lies about 5 miles north of the south boundary of Joutel Township and extends for about 1 1/2 miles along the west boundary of Joutel Township.

The property can be reached by chartered aircraft from Amos, Quebec (which lies about 65 miles to the south). A road from about Mileage 73 on the Mattagami-Amos all-weather highway is being extended westward, a distance of approximately 14 miles to the Rio Algom property in Joutel Township. This will make road access to Acme's property comparatively easy.

Property

The optioned property consists of a group of 20 contiguous claims in a roughly rectangular block.

The claim numbers are as follows:

<u>Certificate</u>	<u>Claims</u>
206125	1 to 5
206126	1 to 5
206127	1 to 5
206128	1 to 5

Geology

All consolidated rocks in the whole general area are of Precambrian age. Practically nothing is known about the detailed geology of the property as it is almost entirely covered with overburden. Joutel Copper Mines Ltd., about 4 1/2 miles to the southeast has a copper deposit in rhyolite and Equity Explorations Ltd. are reported to have intersected good gold values in diamond drilling on their property which is a short distance southeast of the Acme claims.

Results of Work

Fairly strong electro-magnetic conductors have been disclosed by aerial surveys in a zone about 1 1/4 miles in length running in a southeast-northwest direction across the property.

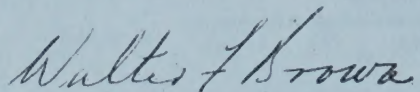
Proposed Exploration Programme

It is proposed to cut lines 300 feet apart across the zone disclosed by aerial surveys and do ground geophysical work. This work will be followed by diamond drilling if results obtained warrant it.

Cost of the line cutting and ground geophysical work is estimated to be approximately \$5,000.

Conclusions

Considering the location of the property and the results obtained by aerial geophysical work the proposed exploration programme is justified.



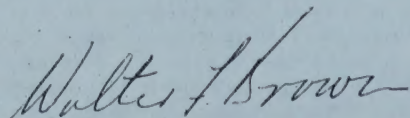
Toronto, Ontario,
March 2nd, 1965.

Walter F. Brown, P. Eng.

CERTIFICATE

I, Walter F. Brown of the City of Toronto in the Province of Ontario, Canada, do hereby certify that:

1. I am a Mining Engineer residing at 24 Truman Road, Willowdale, Ontario, with office at Suite 1504, 320 Bay Street, Toronto, Ontario.
2. I am a graduate of McGill University, with the degree of Bachelor of Science in Mining Engineering (1929).
3. I am a member of the Association of Professional Engineers of Ontario and have been practising my profession continuously since graduation.
4. I have no personal interest, either directly or indirectly in the properties or securities of Acme Gas & Oil Co., Limited and do not expect to receive any such interest.
5. This report on Acme Gas & Oil Co., Limited's optioned property in Joutel and Valrennes Townships, Province of Quebec, is based on work done on the property and discussion with Company officials.



Toronto, Ontario,
March 2nd, 1965.

Walter F. Brown, P. Eng.

16. Names, and addresses of persons whose shareholdings are large enough to materially affect control of the company.	D. H. Stodart and J. L. C. Jenner have terminated their previous arrangement to vote the shares which they own or control to cause certain nominees of the other to be elected as Directors of the company. Bert W. Lang, 2577 Lakeshore Blvd. W., Toronto, Ontario, who is the owner of 406,900 shares, may be able to materially affect control of the company.		
17. If assets include investments in the shares or other securities of other companies, give an itemized statement thereof showing cost or book value and present market value.		Book Value	Market Value
	151,650 shs. Barex Trust	\$ 1.00	\$62,176.00
	70 shs. Barrymin		
	Explorations	1.00	16.00
	3,000 shs. Keradec Petroleums	5000.00	--
	18,000 shs. Sasko Wainwright Oils	1.00	--
		<u>\$5,003.00</u>	<u>\$62,192.00</u>
18. Brief statement of any lawsuits pending or in process against company or its properties.	N O N E		
19. The dates of and parties to and the general nature of every material contract entered into by the company which is still in effect and is not disclosed in the foregoing.	N O N E		
20. Statement of any other material facts and if none, so state. Also state whether any shares of the company are in the course of primary distribution to the public.	<p>The 20 mining claims referred to in Item 1 were optioned to Bert W. Lang by J. J. Martel, of Amos, Quebec, by agreement dated August 31, 1964, which was subsequently amended by further agreement dated January 27th, 1965. The claims are described as Claims 1 to 5 inclusive on each of Miners' Certificates Numbers 206125, 206126, 206127 and 206128.</p> <p>\$2,000.00 has been paid under the option agreement to date and the option is exercisable upon payment of \$1,000.00 on or before June 1st, 1965 \$1,000.00 on or before September 1st, 1965 \$1,000.00 on or before December 1st, 1965 \$5,000.00 on or before March 1st, 1966, and the issuance of 200,000 shares (90% to be escrowed) in the mining company (which need not be Acme Gas & Oil Co., Limited) to which the claims are transferred. The Company has the right to work the claims as long as the option remains in good standing.</p> <p>The Company has completed the sale to the Ontario Hydro for \$55,000.00 of its railway right-of-way (less two spur lines and two other small parcels). The 700,000 shares offered by the Company as set out in Item 6 are the only shares of the Company in the course of primary distribution to the public.</p>		

DATED March 2, 1965

CERTIFICATE OF THE COMPANY

The foregoing, together with the financial information and other reports where required, constitutes full, true and plain disclosure of all material facts in respect of the matters referred to in Item 1 above and in respect of the company's affairs and there is no further material information applicable. (To be signed by two principal signing officers who are directors and the corporate seal to be affixed.)

ACME GAS & OIL CO., LIMITED
 "J. L. C. Jenner" *[Signature]* CORPORATE SEAL
 Vice-President
 "B. W. Lang" *[Signature]*

CERTIFICATE OF UNDERWRITER OR OPTIONEE *[Signature]*
 Pres. Lang

To the best of my knowledge, information and belief, the foregoing, together with the financial information and the reports where required, constitutes full, true and plain disclosure of all material facts in respect of the matters referred to in Item 1 above in respect of the company's affairs. Concerning matters which are not within my knowledge, I have relied upon the accuracy and adequacy of the information supplied to me by the company. (To be signed by underwriter or optionee registered with the Ontario Securities Commission or a corresponding body.)

THE EXCHANGE HAS NEITHER APPROVED NOR DISAPPROVED THE INFORMATION CONTAINED IN THIS FILING STATEMENT, WHICH IS A REPRODUCTION OF THE ORIGINAL FILED WITH THE EXCHANGE BY THE COMPANY AND IS ISSUED FOR INFORMATION PURPOSES ONLY. THIS FILING STATEMENT IS NOT TO BE REPRODUCED IN WHOLE OR IN PART WITHOUT THE WRITTEN APPROVAL OF THE TORONTO STOCK EXCHANGE.

THE TORONTO STOCK EXCHANGE

FILING STATEMENT NO. 1421.
FILED, MARCH 31st. 1966.

ACME GAS & OIL CO., LIMITED

Full corporate name of Company

Ontario Letters Patent dated July 12, 1929

Particulars of incorporation (e.g., Incorporated under Part IV of the Corporations Act, 1953
(Ontario) by Letters Patent dated May 1st, 1957).

Reference is made to previous
Filing Statement No. 1271.

FILING STATEMENT

(To be filed with respect to any material change in a company's affairs, including among other things,
an underwriting and option agreement, an issue of shares for property and a proposed re-organization.)

1. Brief statement of the material change in the affairs of the company in respect of which this statement is filed.	(a) The acquisition of certain mining properties and options to purchase certain mining properties. (b) The offering of 700,000 shares at 30¢ per share to the shareholders of the Company.										
2. Head office address and any other office address.	Suite 1705, 80 Richmond Street West, Toronto 1, Ontario.										
3. Names, addresses and chief occupations for the past five years of present or proposed officers and directors.	Bert W. Lang, President & Director, Mining Executive, 2577 Lakeshore Blvd. W., Toronto 14, Ontario. J.L.C. Jenner, Vice-President & Director, Barrister & Solicitor, 3 Crediton Court, Islington, Ontario. J. T. Garrow, Q.C., Director, Barrister & Solicitor, 34 Chestnut Park Rd., Toronto 5, Ontario. D. H. Stodart, Director, Chartered Accountant, 49 Plymbridge Rd., Willowdale, Ontario. R. A. Cranston, Q.C., Secretary and Director, Barrister & Solicitor, 220 Cortleigh Blvd., Toronto 12, Ontario E. A. Pigulski, Treasurer and Assistant Secretary, Accountant, 36 Saybrook Avenue, Toronto, Ontario. John Lindsay, Assistant Treasurer, Accountant, 112 Goulding Avenue, Willowdale, Ontario.										
4. Share capitalization showing authorized and issued and outstanding capital.	Authorized 7,000,000 No par value Issued 3,614,232										
5. Particulars in respect of any bonds, debentures, notes, mortgages, charges, liens or hypothecations outstanding.	N O N E										
6. Details of any treasury shares or other securities now the subject of any underwriting, sale or option agreement or of any proposed underwriting, sale or option agreement.	<p>The Company will offer to its shareholders 700,000 shares at the price of 30¢ per share through the issuance of 3,500,000 rights. Each holder of rights may purchase one share for every five rights and 30¢. The rights are exercisable on or before April 28th, 1966.</p> <p>J. Bradley Streit & Co. Limited has agreed to underwrite at 30¢ per share a number of shares equal to the difference between the total number of shares subscribed for pursuant to the rights offering aforesaid and 350,000 shares. In consideration therefor the Company has granted to J. Bradley Streit & Co. Limited the right and option to purchase after April 28th, 1966, and on or before May 10th, 1966, at the price of 30¢ per share all or any part of a number of shares equal to the number of shares underwritten by J. Bradley Streit & Co. Limited as aforesaid but not exceeding 200,000 shares.</p> <p>The plan of the Company for the granting of incentive options to employees has been amended so that the plan now in effect is as follows:</p> <p>The aggregate number of shares to be so optioned shall not exceed 200,000 shares. An employee may be granted an option on a number of shares not to exceed a maximum number of shares shown in the last column below opposite his category of employment. The options shall be exercisable at the price of 20¢ per share or at such price as the directors may determine, provided the price shall not be at a discount greater than 25% below the market price at the date of granting of the options. The options will not be exercisable until after completion of four months' continuous service and must be exercised on or before July 2nd, 1968, or on or before a date which is thirty days after the termination of employment, whichever is the earlier date. Subject as above provided, the options will be exercisable from time to time as to a number of shares determined by multiplying the number of complete months of continuous service by one-twelfth of the number of shares optioned until the option is fully exercisable.</p> <table><thead><tr><th>Category</th><th>Maximum Number of Shares</th></tr></thead><tbody><tr><td>Exploration Manager, Geologist-Engineer in Charge and Head Office Manager</td><td>18,000</td></tr><tr><td>Geophysicist, Consultants, Senior Geologist and Senior Instrument Operators</td><td>12,000</td></tr><tr><td>Junior Geologist, Junior Instrument Operators, Accountant, Property Records Clerk and Senior Draftsman</td><td>9,000</td></tr><tr><td>Other Employees</td><td>6,000</td></tr></tbody></table> <p>Incentive options in an aggregate of 93,000 shares have been granted to employees of which 23,000 shares were allotted and issued under the previous plan.</p>	Category	Maximum Number of Shares	Exploration Manager, Geologist-Engineer in Charge and Head Office Manager	18,000	Geophysicist, Consultants, Senior Geologist and Senior Instrument Operators	12,000	Junior Geologist, Junior Instrument Operators, Accountant, Property Records Clerk and Senior Draftsman	9,000	Other Employees	6,000
Category	Maximum Number of Shares										
Exploration Manager, Geologist-Engineer in Charge and Head Office Manager	18,000										
Geophysicist, Consultants, Senior Geologist and Senior Instrument Operators	12,000										
Junior Geologist, Junior Instrument Operators, Accountant, Property Records Clerk and Senior Draftsman	9,000										
Other Employees	6,000										

7. Names and addresses of persons having any interest, direct or indirect in underwritten or optioned shares or other securities or assignments, present or proposed, and, if any assignment is contemplated, particulars thereof.	J. Douglas Streit and C. William Streit are the owners of a greater than 5% interest in J. Bradley Streit & Co. Limited.
8. Any payments in cash or securities of the company made or to be made to a promoter or finder in connection with a proposed underwriting or property acquisition.	W. E. Nyman and J. Duncan Crone are each to receive 5% of the vendor shares in any company to be formed to acquire certain properties under the agreement with Algoma Central Railway dated February 15, 1966.
9. Brief statement of company's future development plans, including proposed expenditure of proceeds of sale of treasury shares, if any.	To pay the Company's liabilities, reimburse a direct- or for funds advanced for the acquisition of properties by staking and option, make option payments where deemed advisable, carry out an exploration and development program on the Company's properties, including the estimated expenditure of \$8,000.00 on the Woodrow Johnston option and \$100,000.00 on the Algoma Central Railway option, both as recommended by Walter F. Brown, Mining Engineer, and for head office, administrative and corporate expenses. The proceeds will not be used for any other purpose without the consent of the Toronto Stock Exchange.
10. Brief statement of company's chief development work during past year.	Airborne and ground geophysical surveys and diamond drilling on claims held in Belbreuil, Guy, Gaboury, Villers and Baby Townships and airborne and ground geophysical surveys on Timmins area claims and airborne and ground geophysical surveys and diamond drilling on Joutel and Valrennes Area Claims.
11. Names and addresses of vendors of any property or other assets intended to be purchased by the company showing the consideration to be paid.	<p>Bert W. Lang, 2577 Lakeshore Blvd. West, Toronto 14, Ontario, has agreed to assign the option acquired by him from Algoma Central Railway dated February 15, 1966, to the Company for \$12,500.00, being his cost to acquire the option.</p> <p>The said Bert W. Lang has agreed to sell to the Company at his cost 95 claims staked by him in McArthur Township at a total cost of \$4,951.11; 96 claims staked by him in Eldorado Township at his cost of \$4,100.00; 32 claims staked by him in Thornloe Township at his cost of \$892.23. The Company has acquired an option to purchase 58 mining claims in Northumberland County in the Province of New Brunswick from Woodrow Johnston, of R. R. #2, Redbank, New Brunswick, payable \$1,500.00 on the signing of the agreement, and to continue the option in force \$3,000 on or before September 25, 1966, \$10,000 on or before September 25, 1967, \$15,000 on or before September 25, 1968, and \$20,000 on or before September 25, 1969, and 150,000 shares in a mining company which acquires mining claims.</p> <p>The Company has staked 79 claims in Eldorado Township at a cost of \$3,584.00 and has entered into an agreement with Mespi Mines Limited with respect to the claims by which, if the Company requires funds which it does not have for underground exploration or development or mining of any indicated or proven ore bodies, the Company will give to Mespi the right of first refusal to provide such funds.</p> <p>The Company has purchased for \$800.00 from Arthur Taylor, Redbank, New Brunswick, 8 mining claims in Northumberland County, New Brunswick, and is in the process of staking and acquiring additional claims in that Province.</p>
12. Names and addresses of persons who have received or will receive a greater than 5% interest in the shares or other consideration to be received by the vendor. If the vendor is a limited company, the names and addresses of persons having a greater than 5% interest in the vendor company.	N O N E
13. Number of shares held in escrow or in pool and a brief statement of the terms of escrow or the pooling agreement.	N O N E
14. Names and addresses of owners of more than a 5% interest in escrowed shares and their shareholdings (If shares are registered in the names of nominees or in street names, give names of beneficial owners, if possible.)	NOT APPLICABLE
15. Names, addresses and shareholdings of five largest registered shareholders and if shareholdings are pooled or escrowed, so stating. If shares are registered in names of nominees or in street names, give names of beneficial owners, if possible, and if names are not those of beneficial owners, so state.	<p>Bay & Company 53 King Street West, Toronto 1,199,924 shares</p> <p>Bert W. Lang is the beneficial owner of 759,926 of these shares</p> <p>Bert W. Lang - Beneficial owner 2577 Lakeshore Blvd. West, Toronto 14, Ontario 190,167 shares</p> <p>Doherty Roadhouse & McCuaig Bros. 335 Bay Street, Toronto 1, Ontario. 167,167 shares</p> <p>Thomson, Kernaghan & Co. Limited, 365 Bay Street, Toronto, Ontario. 70,900 shares</p> <p>J. L. C. Jenner - Beneficial owner 3 Crediton Court, Islington, Ontario. 66,666 shares</p>

FINANCIAL STATEMENTS

ACME GAS & OIL CO., LIMITED

(Incorporated under the laws of Ontario)

and its subsidiary

BORRADAILE OILS LIMITED

Consolidated Balance Sheet as at December 31, 1965

Assets		Liabilities	
<u>Current:</u>		<u>Current:</u>	
Cash	\$ 13,083.96	Accounts payable	\$ 12,784.65
Sundry accounts receivable	1,659.98		
Receivable re sale off interest in oil lease and well, and in Keradec Refineries Limited (11/2 due each December 11, 1965 and 1966) - Note 2	31,898.63	Shareholders' Equity	
First mortgage on real estate	51,000.00	Capital Stock: - Note 3	
Accrued interest (including \$3,900,000 deferred to 1974)	4,989.89	Authorized: 7,000,000 shares of no par value	\$ 813,850.00
Investment in Shares and Units: ((at or below cost)) - Note 1		Issued: 3,591,232 shares	
Those with quoted market price:	3.00	Deficit, per statement attached	317,478.81
151,650 The Bancro Trust	63,693.00		
700 Hanyim Explorations Ltd	17.50		
4,666 Arnold Oil and Gas Ltd.	1,026.50		
Market value	64,737.00		
Other shares	4,850.00		
Mining Claims - at cost:			
Timmins	16,139.57	Approved on behalf of the Board:	
Quebec - Beillette	\$ 35,718.66	Director.	
- Joutel	14,665.19	Director.	
- Bourlemarque	10.00		
New Brunswick	69,504.57		
Lands - at cost, less proceeds of sales - being approximately 12 miles of former railway right-of-way including mineral and other rights	30,534.85		
Exploration equipment - at cost	11,968.84		
Less: Accumulated depreciation	3,500.00		
Interest in dormant oil and gas lease and in other royalties - at cost less amounts written off	1,001.00		
Investment in Lowbanks Gas Limited - at cost less amounts written off	1,000.00		
Deferred expenditure - per statement	112,268.74		
	\$ 330,263.46		\$ 330,263.46

The accompanying explanatory notes are an integral part of these financial statements

ACME GAS & OIL CO., LIMITED

and its subsidiary

BORRADAILE OILS LIMITED

Explanatory notes to the Consolidated Balance Sheet
December 31, 1965

Note:

1. "At or below cost" - proceeds of sales of investments are applied against cost, no profit being taken up in the accounts until cost is realized in full.
2. This agreement is in default and the company may repossess the assets involved.
3. During the year the authorized capital was increased from 5,000,000 shares of no par value to 7,000,000 shares of no par value and 700,000 shares were issued for \$175,000 in cash.
4. Options were granted to certain employees to acquire 85,000 shares of the capital stock at 20¢ per share, subject to continuing employment, good until July 1966. None had been exercised at December 31, 1965.

ACME GAS & OIL CO., LIMITED

and its subsidiary

BORRADAILE OILS LIMITED

Consolidated Statement of Deferred Expenditure
for the year ended December 31, 1965

Exploration:

Province of Quebec		
Belleterre area	\$ 64,903.51	
Joutel area	8,302.02	
Bourlamaque area	<u>2,307.16</u>	\$ 75,512.69
Province of Ontario		
Timmins area		20,855.97
Province of New Brunswick		3,204.53
Depreciation on exploration equipment		<u>3,500.00</u>
		103,073.19

Administration:

Head office salaries	6,756.00	
Head office accommodation	2,400.00	
Transfer agent's fees and disbursements,		
Stock Exchange fees and shareholders		
meetings and reports	9,140.45	
Legal fees and disbursements	8,515.38	
Telephone, stationery, etc.	<u>5,043.11</u>	
	31,854.94	
Real estate carrying charges	<u>764.15</u>	<u>32,619.09</u>
		135,692.28

Revenue:

Royalties from oil and gas wells	2,063.06	
Interest earned	6,574.60	
Income from investments	<u>14,785.88</u>	<u>23,423.54</u>

Deferred expenditure		\$ <u><u>112,268.74</u></u>
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Consolidated Statement of Deficit
for the year ended December 31, 1965

Balance, December 31, 1964		\$ 418,220.59
Royalties written down	\$ 3,852.00	
Cost of abandoned claims and exploration		
written off - Quebec area	<u>74,298.60</u>	<u>78,150.60</u>
Balance, December 31, 1965		\$ <u><u>496,371.19</u></u>

The accompanying explanatory notes are an
integral part of these financial statements.

ACME GAS & OIL CO., LIMITED

Source and Application of Funds
For the Period January 1st, 1966 to March 15th, 1966
(Consolidated with Borradaile Oils Limited)

Source of Funds

Sale of portion remaining Lands		\$	450.00	
Employees' Subscriptions for 23,000 shares				
Capital Stock @ 20¢			4,600.00	
Interest on Receivable	\$	375.00		
Interest on Mortgage		637.50		
Royalties on Gas Leases		<u>10.00</u>	<u>1,022.50</u>	\$ 6,072.50

Application of Funds

Increase in Long-term Receivable		\$	375.00	
Increase in First Mortgage Account			637.50	
Acquisition of Mining Properties			31,398.13	
Purchase of Field Equipment			824.00	
Increase in Gross Amount of Deferred				
Exploration, Development & Administra-				
tive Expenditures			<u>24,002.29</u>	\$ 57,236.92
- Net Account	\$	22,979.79		
- Income Accounts (as above)		<u>1,022.50</u>		
	\$	<u>24,002.29</u>		

Decrease in Working Capital \$ 51,164.42

Changes in Working Capital

Increases

Increase in Accounts Receivable \$ 7,001.01

Decreases

Cash \$ 39,601.49
Increase in Accounts Payable 18,563.94 58,165.43

Net Decrease during the period \$ 51,164.42

E. A. Regalado
President
W. B. ...
...

ENGINEER'S REPORTS

REPORT ON

ACME GAS & OIL CO. LIMITED

Introduction

Acme Gas & Oil Co. Ltd. holds groups of claims in the Provinces of New Brunswick, Ontario and Quebec. This report is concerned only with the 66 claims held in Northumberland County, New Brunswick, known as the "Johnston Option."

Location and Access

The claims are located in Northumberland County, N.B., approximately 40 miles southwest of the Town of Bathurst and they are accessible by a lumber road from the Heath Steele Mines property. The producing Heath Steele Mine lies approximately 5 miles southeast of the claims.

Property

The property consists of 58 optioned claims and 8 claims owned by Acme.

The claim numbers are as follows:

	Index No.	Tag or Claim No.
<u>Owned</u>	Block 7111	177171 to 177178 inclusive
<u>Under Option</u>	Block 6962	174308 to 174329 inclusive
	Block 6963	174386 to 174394 inclusive
	Block 7032	176401 to 176412 inclusive
	Block 7197	179340 and 179341
	Block 7198	179373
	Block 7199	(181116 and
		(181129 to 181134 inclusive
	Block 7201	180763
	Block 7202	176422 to 176425 inclusive

Geology

Geological knowledge of the area has been hindered by the prevalent overburden. However, the favourable formations appear to be the Middle Devonian or Tetsgouche series, sediments and volcanic flows which have been subjected to complex folding. The degree of metamorphism is not greatly advanced, the best marker horizon appears to be a so-called "porphyry" which is probably the result of recrystallization. This rock acts to give a structural control, which also may have been given locally by other rock types such as rhyolite or diorite. This control has probably been indirect in that it localized faulting and schistosity.

The structure can be generalized as a large irregularly shaped circle with discontinuous horizons of sediments and "porphyry" within volcanic flows. Throughout most of the structure, dips are steep and commonly in a north or westerly direction, with regional schistosity conformable to the formation.

The claims are located near the nose of a major fold in acidic volcanic rocks. The strike of the rocks is in the direction towards the Heath Steel and Consolidated Mining and Smelting properties.

In view of the geological environment the ground is considered to be favourable for ore deposition.

History

Recorded work at the Department of Mines Office in Fredericton, N.B. reveals that the ground now included in the "Johnston Option" was explored to some extent during the "Bathurst Rush" in 1955.

The claims were held by several companies, and were all covered by E.M. and Magnetometer surveys. The quality of the work appears to have been poor. During this rush period many geophysical surveys were conducted with hastily built equipment and inexperienced crews. There has been no further work recorded since 1955.

Proposed Exploration Programme & Estimated Expenditures

The initial programme of exploration work will consist of soil sampling on a reconnaissance grid. Any anomalous zones found by soil sampling will be covered by E.M., magnetic, and if necessary, I.P. surveys on lines at 200 ft. intervals.

Cost of this initial programme is estimated as follows:

1. Soil sampling	\$ 3,000
2. Line cutting	1,000
3. Geophysical surveys	<u>5,000</u>
Total	<u>\$ 8,000</u>

If results obtained in the work described above warrant it this initial programme will be followed by diamond drilling.

Conclusions

Considering the property location and geological features the proposed exploration programme and estimated expenditures are justified.

Work beyond this initial programme and its extent will depend on results obtained.

Toronto, Ontario
February 15, 1966.

Walter F. Brown, P.Eng.

CERTIFICATE

I, Walter F. Brown of the City of Toronto in the Province of Ontario, Canada, do hereby certify that:

1. I am a Mining Engineer residing at 24 Truman Road, Willowdale, Ontario, with office at Suite 1502, 320 Bay Street, Toronto, Ontario.
2. I am a graduate of McGill University, with the degree of Bachelor of Science in Mining Engineering (1929).
3. I am a member of the Association of Professional Engineers of Ontario and have been practising my profession continuously since graduation.
4. I have no personal interest, either directly or indirectly in the properties or securities of Acme Gas & Oil Co. Limited and do not expect to receive any such interest.
5. This report on Acme Gas & Oil Co. Limited's "Johnston Option", Northumberland County, N.B. is based on geological maps of the area, company records and reports and discussions with company officials.

Toronto, Ontario
February 15, 1966.

Walter F. Brown, P.Eng.

REPORT ON
ACME GAS & OIL CO. LIMITED

Introduction

Acme Gas & Oil Co. Ltd. hold groups of claims in the Province of New Brunswick, Ontario and Quebec. This report is concerned only with the mineral rights on ten contiguous townships in the District of Algoma, Ontario.

Location and Access

The townships are located in the District of Algoma, Ontario, approximately 10 miles north of the Town of Wawa. The Trans-Canada highway crosses the townships and the Algoma Central and Hudson Bay Railway crosses the southeast corner of the property.

Property

The property consists of 10 contiguous townships on which Acme has been granted a working option covering the mineral rights. They are included in an extensive area held as a land grant by the Algoma Central and Hudson Bay Railway. The townships are numbered as follows:

Range 25, townships 29 to 33 inclusive
Range 26, townships 29 to 33 inclusive

Geology and History

The property contains a large area of rhyolite-andesite rocks of Precambrian age considered to be favourable for base metal deposition.

The area was mapped geologically for the Algoma Central and Hudson Bay Railway. In the course of this mapping numerous showings of copper and molybdenite mineralization were encountered. Geochemical silt tests in streams over large portions of the property have yielded relatively high copper and zinc assays in several areas.

Proposed Exploration Programme & Estimated Expenditures

The programme of exploration work will consist of an airborne geophysical survey involving approximately 2,000 line miles of flying on lines spaced 1/8 mile apart. This survey will be followed by detailed ground geophysical and geochemical surveys. All interesting anomalies outlined by this work will be diamond drilled.

The approximate cost of this programme for the period June 1, 1966 to June 1, 1967 is estimated to be as follows:

Airborne geophysical survey	\$ 34,000
Ground geophysical surveys	30,000
Geochemical surveys	20,000
Diamond drilling	16,000
	<u>\$100,000</u>

Conclusions

Considering the geology of the area, the known occurrences of base metal mineralization and the location of the property, the proposed exploration programme and estimated expenditures are justified.

The programme is, of course, subject to change, both in character and extent, depending on results obtained as the work progresses.

Toronto, Ontario
February 28, 1966.

Walter F. Brown
Walter F. Brown, P.Eng.

CERTIFICATE

I, Walter F. Brown of the City of Toronto in the Province of Ontario, Canada, do hereby certify that:

1. I am a Mining Engineer residing at 24 Truman Road, Willowdale, Ontario, with office at Suite 1502, 320 Bay Street, Toronto, Ontario.
2. I am a graduate of McGill University, with the degree of Bachelor of Science in Mining Engineering (1929).
3. I am a member of the Association of Professional Engineers of Ontario and have been practising my profession continuously since graduation.
4. I have no personal interest, either directly or indirectly in the properties or securities of Acme Gas & Oil Co., Limited and do not expect to receive any such interest.
5. This report on Acme Gas & Oil Co. Ltd.'s optioned property in the District of Algoma, Ontario, is based on geological maps, company records and reports and discussions with company officials.

Toronto, Ontario
February 28, 1966.

Walter F. Brown
Walter F. Brown, P.Eng.

16. Names, and addresses of persons whose shareholdings are large enough to materially affect control of the company.	Bert W. Lang, 2577 Lakeshore Blvd. West, Toronto 14, Ontario.		
17. If assets include investments in the shares or other securities of other companies, give an itemized statement thereof showing cost or book value and present market value.		Book Value	Market Value
	151,650 shs. Barex Trust	1.00	\$63,693.00
	70 shs. Barrymin Explorations	1.00	18.90
	2,875 shs. Keradec Petroleum	4,850.00	--
	4,666 shs. Acroll Oil & Gas Limited	1.00	1,164.50
		\$4,853.00	\$64,876.40
18. Brief statement of any lawsuits pending or in process against company or its properties.	N O N E		
19. The dates of and parties to and the general nature of every material contract entered into by the company which is still in effect and is not disclosed in the foregoing.	<p>Under the terms of an agreement dated February 15th, 1966, between Algoma Central Railway (A.C.R.) and B.W. Lang which was assigned on February 18th by B.W. Lang to Acme and an agreement dated March 3rd, 1966 between Acme and Wm. E. Nyman and J.D. Crone, Acme holds a 3-year working option on 10 Townships (being Townships No. 29 to 33 inclusive in Ranges 25 and 26, Sault Ste. Marie Mining Division in Ontario) with a net area of about 348 square miles after deducting areas of claims and leases held by others. These Townships have been withdrawn from staking until May 31st, 1968. Consideration for the option was \$12,500 paid to Algoma Central Railway. The area held under option shall be reduced on or before May 31st, 1968 by Acme giving notice as to the number of 40-acre units or claims which it wishes to hold under option until May 31st, 1969. In order to maintain the option in good standing, it will be necessary to expend on exploration \$35,000 by May 31st, 1967, an additional \$45,000 by May 31st, 1968, and a further amount by May 31st, 1969 of \$50,000 or a greater sum calculated by multiplying \$100 by the number of 40-acre units which Acme elects on or before May 31st, 1968 to hold under option.</p> <p>Acme may incorporate a new company or companies, from time to time, on or before May 31st, 1969, and after the above mentioned expenditures have been made, to acquire such of the 40-acre units or claims then held under option as Acme may decide. A.C.R. will issue for the 40-acre units acquired by each new company a Lease for 21 years renewable, from time to time, for 21 years if the property is in commercial production but if commercial production is not commenced within 10 years the Lease will be transferred back to A.C.R.</p> <p>Vendors shares issued by each new Company shall be for a number in accordance with Ontario Securities Commission regulations (10% free and 90% escrowed) of which 25% shall be issued to A.C.R., 5% to Wm. E. Nyman, 5% to Duncan Crone and 65% to Acme, Nyman and Crone being the parties responsible for interesting Lang and Acme in acquiring this option. A.C.R. has the right to subscribe from time to time up to a maximum of 25% of the financing of any new company. A.C.R. shall nominate one of the five directors of each company. Acme (and the new companies) agree to ship all freight on A.C.R. railroad and steamships providing rates and services which are competitive with others.</p>		
20. Statement of any other material facts and if none, so state. Also state whether any shares of the company are in the course of primary distribution to the public.	The shares purchased by J. Bradley Streit & Co. Limited and referred to in Item 6 hereof will be in the course of primary distribution.		

DATED March 29, 1966.

CERTIFICATE OF THE COMPANY

The foregoing, together with the financial information and other reports where required, constitutes full, true and plain disclosure of all material facts in respect of the matters referred to in Item 1 above and in respect of the company's affairs and there is no further material information applicable. (To be signed by two principal signing officers who are directors and the corporate seal to be affixed.)

"J.L.C. Jenner"

Vice-President

"R.A. Cranston"

Secretary

CORPORATE SEAL

CERTIFICATE OF UNDERWRITER OR OPTIONEE

To the best of my knowledge, information and belief, the foregoing, together with the financial information and the reports where required, constitutes full, true and plain disclosure of all material facts in respect of the matters referred to in Item 1 above in respect of the company's affairs. Concerning matters which are not within my knowledge, I have relied upon the accuracy and adequacy of the information supplied to me by the company. (To be signed by underwriter or optionee registered with the Ontario Securities Commission or a corresponding body.)

J. BRADLEY STREIT & CO. LIMITED

"J.D. Streit"

Per

"C.W. Streit"

Per

THE TORONTO STOCK EXCHANGE

FILING STATEMENT NO. 1467.
FILED, JULY 21st. 1966.

ACME GAS & OIL CO., LIMITED

Full corporate name of Company

Ontario Letters Patent dated July 12, 1929

Particulars of incorporation (e.g., Incorporated under Part IV of the Corporations Act, 1953

(Ontario) by Letters Patent dated May 1st, 1957).

Reference is made to previous
Filing Statement No. 1421.

FILING STATEMENT

(To be filed with respect to any material change in a company's affairs, including among other things,
an underwriting and option agreement, an issue of shares for property and a proposed re-organization.)

1. Brief statement of the material change in the affairs of the company in respect of which this statement is filed.	The offering of 800,000 shares at 35¢ per share to the shareholders of the Company.
2. Head office address and any other office address.	Suite 1705 80 Richmond Street West Toronto 1, Ontario
3. Names, addresses and chief occupations for the past five years of present or proposed officers and directors	Bert W. Lang, President & Director, Mining Executive, 2577 Lakeshore Blvd. W., Toronto 14, Ontario. J.L.C. Jenner, Vice-President & Director, Salesman, 3 Crediton Court, Islington, Ontario. J.T. Garrow, Q.C., Director, Barrister & Solicitor, 34 Chestnut Park Rd., Toronto 5, Ontario. D.H. Stodart, Director, Chartered Accountant, 49 Plymbridge Rd., Willowdale, Ontario. R.A. Cranston, Q.C., Secretary & Director, Barrister & Solicitor, 220 Cortleigh Blvd., Toronto 12, Ontario. E.A. Pigulski, Treasurer & Assistant Secretary, Accountant, 36 Saybrook Avenue, Toronto, Ontario. John Lindsay, Assistant Treasurer, Accountant, 112 Goulding Avenue, Willowdale, Ontario.
4. Share capitalization showing authorized and issued and outstanding capital.	Authorized 7,000,000 No par value Issued 4,069,365
5. Particulars in respect of any bonds, debentures, notes, mortgages, charges, liens or hypothecations outstanding.	N O N E
6. Details of any treasury shares or other securities now the subject of any underwriting, sale or option agreement or of any proposed underwriting, sale or option agreement.	<p>The Company will offer to its shareholders, as of record date of July 28th, 1966, 800,000 shares at the price of 35¢ per share through the issuance of 4,000,000 rights. Each holder of rights may purchase one share for every five rights and 35¢. The rights are exercisable on or before August 23rd, 1966.</p> <p>Certain shareholders of the Company have agreed to exercise their rights to purchase sufficient shares of the Company so that the Company will be assured of receiving at least \$100,000.00.</p> <p>200,000 shares have been set aside or reserved for the purpose of granting stock options to full-time employees of the Company and of which options have been granted covering a total of 96,000 shares at 20¢ a share and 60,000 shares at 25¢ a share and of which options covering a total of 29,000 shares at 20¢ a share have been allotted and issued.</p>
7. Names and addresses of persons having any interest, direct or indirect in underwritten or optioned shares or other securities or assignments, present or proposed, and, if any assignment is contemplated, particulars thereof.	NOT APPLICABLE
8. Any payments in cash or securities of the company made or to be made to a promoter or finder in connection with a proposed underwriting or property acquisition.	N O N E

9. Brief statement of company's future development plans, including proposed expenditure of proceeds of sale of treasury shares, if any.	<p>ESTIMATED EXPENDITURES - May 1st to December 31, 1966</p> <p>Michipocoten Area - Total \$200,000</p> <p style="padding-left: 20px;">Aerial Survey \$ 40,000</p> <p style="padding-left: 40px;">Field crew (8 months x \$10,000) 80,000</p> <p style="padding-left: 40px;">Drilling (16,000 ft. x \$5.00) 80,000</p> <p style="padding-left: 20px;">New Brunswick - Total \$ 65,000</p> <p style="padding-left: 40px;">Field Crew (8 x \$5,000) \$ 40,000</p> <p style="padding-left: 40px;">Drilling (5,000 ft. x \$5.00) 25,000</p> <p style="padding-left: 20px;">Timmins Nickel Area - Total \$ 20,000</p> <p style="padding-left: 40px;">Drilling (3,000 ft. x \$5.00) \$ 15,000</p> <p style="padding-left: 40px;">Geophysical and to maintain claims 5,000</p> <p style="padding-left: 20px;">Head Office and General Expense \$ 15,000</p> <p style="text-align: right;"><u>Total</u> <u>\$300,000</u></p>
10. Brief statement of company's chief development work during past year.	<p>Exploration and development work consisted of:</p> <p>Airborne and ground geophysical surveys and diamond drilling on claims held in Delbreull, Guy, Gaboury, Villars and Baby Townships, Belleterre Area (cost of work \$92,189.33 less amount written off \$27,196.62)</p> <p>Airborne and ground geophysical surveys including soil sampling on Timmins Area claims (\$48,797.25).</p> <p>Airborne and ground geophysical surveys and diamond drilling on Joutel and Valrennes Area claims (\$16,692.62.)</p> <p>Airborne and ground geophysical surveys and trenching in the Bourlamaque Area, Quebec (\$2,077.40).</p> <p>Linecutting and soil sampling on New Brunswick claims (\$19,483.25).</p> <p>Aerial and ground geophysical surveys in Michipocoten Area (approximately \$57,000.00).</p>
11. Names and addresses of vendors of any property or other assets intended to be purchased by the company showing the consideration to be paid.	<p>1,334 claims in the Bathurst Newcastle Area of New Brunswick have been staked at a cost of \$20,437.88.</p>
12. Names and addresses of persons who have received or will receive a greater than 5% interest in the shares or other consideration to be received by the vendor. If the vendor is a limited company, the names and addresses of persons having a greater than 5% interest in the vendor company.	<p>N O N E</p>
13. Number of shares held in escrow or in pool and a brief statement of the terms of escrow or the pooling agreement.	<p>N O N E</p>
14. Names and addresses of owners of more than a 5% interest in escrowed shares and their shareholdings (If shares are registered in the names of nominees or in street names, give names of beneficial owners, if possible.)	<p>NOT APPLICABLE</p>
15. Names, addresses and shareholdings of five largest registered shareholders and if shareholdings are pooled or escrowed, so stating. If shares are registered in names of nominees or in street names, give names of beneficial owners, if possible, and if names are not those of beneficial owners, so state.	<p>Bay & Company 51 King Street West, Toronto 1,150,899 shares</p> <p>Bert W. Lang is the beneficial owner of 759,926 of these shares</p> <p>Bert W. Lang - Beneficial owner 2577 Lakeshore Blvd. West, Toronto 14, Ontario 190,167 shares</p> <p>Doherty Roadhouse & McCuaig Bros. 335 Bay Street, Toronto 1, Ontario 211,652 shares</p> <p>Draper, Dobie & Co. Limited 25 Adelaide Street West, Toronto 1, Ontario 70,450 shares</p> <p>J.L.C. Jenner - Beneficial owner 3 Crediton Court, Islington, Ontario 66,666 shares</p>
16. Names, and addresses of persons whose shareholdings are large enough to materially affect control of the company.	<p>Bert W. Lang 2577 Lakeshore Blvd. West Toronto 14, Ontario.</p>

FINANCIAL STATEMENTS

ACME GAS & OIL CO., LIMITED
(Incorporated under the laws of Ontario)
and its subsidiary
BORRADAILE OILS LIMITED

Consolidated Balance Sheet as at April 30, 1966.

<u>Assets</u>		
<u>Current:</u>		
Cash	\$ 65,966.68	
Sundry accounts receivable	<u>2,237.99</u>	\$ 68,204.67
Receivable re sale of interest in oil lease and well, and in Keradec Petroleums Limited (1/2 due each December 11, 1965 and 1966) - Note 2		30,003.09
First mortgage on real estate		
Accrued interest	\$ 51,000.00	
(including \$3,900.00 deferred to 1974)	<u>6,009.89</u>	57,009.89
Investment in Shares and Units: (at or below cost) - Note 1		
Those with quoted market price:		3.00
151,650 The Barex Trust	\$ 65,209.50	
70 Barymin Explorations Ltd.	18.55	
4,666 Acroll Oil and Gas Ltd.	<u>1,773.08</u>	
Market value	<u>67,001.13</u>	
Other shares		4,850.00
Mining Claims - at cost:		
Ontario - Timmins	\$ 26,837.91	
- Michipicoten	<u>12,500.00</u>	\$ 39,337.91
Quebec - Belleterre		35,718.66
- Joutel		15,165.19
- Bourlamaque	<u>10.00</u>	50,893.85
New Brunswick		<u>20,974.44</u>
		111,206.20
Lands - at cost, less proceeds of sales - being approximately 12 miles of former railway right-of-way including mineral and other rights		30,084.85
Exploration equipment-at cost	\$ 13,319.84	
Less: Accumulated depreciation	<u>3,500.00</u>	9,819.84
Interest in dormant oil and gas lease and in other royalties - at cost less amounts written off	\$ 1,001.00	
Investment in Lowbanks Gas Limited - at cost less amounts written off	<u>1,000.00</u>	2,001.00
Deferred expenditure - per statement		<u>173,533.97</u>
		<u>\$ 486,716.51</u>

ACME GAS & OIL CO., LIMITED
(Incorporated under the laws of Ontario)
and its subsidiary
BORRADAILE OILS LIMITED

Consolidated Balance Sheet as at April 30, 1966

<u>Liabilities</u>		
<u>Current:</u>		
Accounts Payable		\$ 30,345.80
<u>Shareholders' Equity</u>		
Capital Stock:		
Authorized: 7,000,000 shares of no par value		
Issued: to Dec. 31, 1965 - 3,591,232 shs.	\$813,850.00	
In 1966 for cash - <u>475,133 shs.</u>	<u>139,939.90</u>	
	4,066,365 shs.	\$953,789.90
Deficit	<u>497,419.19</u>	456,370.71
		<u>\$486,716.51</u>

Approved:

 Director
 Director

Explanatory notes to the Consolidated Balance Sheet
April 30, 1966

Note:

- 1 "At or below cost" - proceeds of sales of investments are applied against cost, no profit being taken up in the accounts until cost is realized in full.
- 2 This agreement is in default and the company has repossessed the assets involved.
- 3 The cost of an airborne geophysical survey completed over the property in Michipicoten Area, late in May, amounting to \$39,389 has not been set up as payment is due on delivery of final report and plans.

ACME GAS & OIL CO., LIMITED
and its subsidiary
BORRADAILE OILS LIMITED

Consolidated Statement of Deferred Expenditure
for the Four Months Jan. 1 to Apr. 30, 1966

	<u>at Dec.31/65</u>	<u>1966</u>	<u>at Apr.30/66</u>
Exploration:			
Province of Quebec			
Belleterre area	\$ 64,903.51	\$ 89.20	\$ 64,992.71
Joutel area	8,302.02	8,390.60	16,692.62
Bourlamaque area	2,307.16	-	2,307.16
	<u>75,512.69</u>	<u>8,479.80</u>	<u>83,992.49</u>
Province of Ontario			
Timmins area	20,855.97	27,941.28	48,797.25
Michipicoten area	-	1,433.81	1,433.81
	<u>20,855.97</u>	<u>29,375.09</u>	<u>50,231.06</u>
Province of New Brunswick	3,204.53	16,278.72	19,483.25
Depreciation on exploration equipment	3,500.00	-	3,500.00
	<u>103,073.19</u>	<u>54,133.61</u>	<u>157,206.80</u>
Administration:			
Head Office salaries	6,756.00	2,315.97	9,071.97
Head office accommodation	2,400.00	800.00	3,200.00
Transfer agent's fees and disbursements, Stock Exchange fees and shareholders meetings and reports	9,140.45	1,926.97	11,067.42
Legal fees and disbursements	8,515.38	1,325.60	9,840.98
Telephone, stationery, etc.	5,043.11	2,688.11	7,731.22
	<u>31,854.94</u>	<u>9,056.65</u>	<u>40,911.59</u>
Real estate carrying charges	764.15	309.30	1,073.45
	<u>32,619.09</u>	<u>9,365.95</u>	<u>41,985.04</u>
	<u>135,692.28</u>	<u>63,499.56</u>	<u>199,191.84</u>
Revenue:			
Royalties from oil and gas wells	2,063.06	614.33	2,677.39
Interest earned	6,574.60	1,620.00	8,194.60
Income from investments	14,785.88	-	14,785.88
	<u>23,423.54</u>	<u>2,234.33</u>	<u>25,657.87</u>
Deferred expenditure	<u>\$112,268.74</u>	<u>\$61,265.23</u>	<u>\$173,533.97</u>

Consolidated Statement of Deficit
for the period Jan. 1 - April 30, 1966

Balance December 31, 1965	\$ 496,371.19
Loss on Disposal of Fixed Assets	<u>1,048.00</u>
Balance, April 30, 1966	<u>\$ 497,419.19</u>

ACME GAS & OIL CO., LIMITED
(Consolidated with Borradaile Oils Limited)

Source and Application of Funds
For the Period March 15th to April 30th, 1966

Source of Funds

Reduction of Long-term receivable	\$ 2,270.54	
Interest on Receivables	607.50	
Royalties from Gas & Oil leases	604.33	
Employee's subscription - 3,000 shares		
Capital Stock @ 20¢	600.00	
Offering to Shareholders - 449,133 shares		
@ 30¢	<u>134,739.90</u>	\$ 138,822.27

Application of Funds

Increase in First Mortgage account	\$ 382.50	
Acquisition of unpatented claims in N.B.	10,303.50	
Purchase of Field Equipment	527.00	
Net Increase in Deferred Exploration, Development & Administrative Expendi- tures account	\$ 38,285.44	
Add back Interest & Royalties listed above	<u>1,211.83</u>	
Increase in Gross Expenditures	\$ 39,497.27	
Loss on Disposal of Fixed Assets	<u>1,048.00</u>	51,758.27

Increase in Working Capital \$ 87,064.00

Changes in Working Capital

Increases

Cash		\$ 92,484.21	
Accounts Payable reduced	\$ 727.79		
Advance by Director reduced	<u>275.00</u>	<u>1,002.79</u>	\$ 93,487.00

Decreases

Accounts Receivable reduced			6,423.00
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Net Increase for Period \$ 87,064.00

Approved:


Director.
Director.


The Toronto Stock Exchange,
234 Bay Street,
Toronto 1, Ontario.


Dear Sirs:

There have been no material changes in the financial affairs of this Company since the financial statements dated as at April 30th, 1966, and the notes thereto, except in the ordinary course of business and except for 3,000 shares that have been issued to an employee of the Company under the Incentive Option Plan.

DATED this 14th day of July, 1966.

ACME GAS & OIL CO., LIMITED

Per  Director

Per  Director

ENGINEER'S REPORT

Note: The following are excerpts from a report by L.G. Phelan, M.A.Sc., P.Eng., Consulting Geologist, dated June 9th, 1966, on mining claims located in the Provinces of Ontario and New Brunswick. A complete copy of this report is on file with the Toronto Stock Exchange.

MICHIPICOTEN AREA

PROPERTY

Acme Gas & Oil holds exclusive exploration rights to ten contiguous townships -- Townships 29 to 33 Ranges 25 and 26 -- encompassing approximately 348 square miles. Previously staked claims within these townships, totalling about 12 square miles, are not included. The property is situated eight to thirty miles north and west of the town of Wawa, and of Michipicoten Harbor, on Lake Superior. The Trans Canada highway traverses the easterly part of the block and the Algoma Central railway crosses the southeast corner.

The townships are held under a three year working option, granted by the Algoma Central Railway, and expiring 31 May, 1968. During the term of this agreement Acme is required to spend on exploration a minimum of \$130,000. Upon expiry of the option, there are provisions for staking and leasing selected portions of the ground, with the A.C.R. retaining a minority interest.

WORK DONE AND RESULTS

Initially a reconnaissance geochemical survey of stream silts was carried out over four townships to determine whether base metals occurred in quantities sufficient to be of interest. Results were sufficiently promising to encourage Acme to proceed.

An airborne electromagnetic survey, totalling 2,300 line miles, was flown over the bulk of the property, resulting in the detection of a great many anomalous conductive features. Many are quite strong; some have very considerable length and are obviously stratigraphic in origin, while in others the source is not readily apparent.

Ground electromagnetic and geochemical crews are presently engaged in locating and evaluating these features. Diamond drilling is commencing this week to probe the first of the more promising anomalies.

Magnetic and gravity work is planned over the larger iron formation bodies to establish whether mineable tonnages are present.

TIMMINS AREA PROPERTIES

PROPERTIES

Acme holds 341 claims totalling about 13,000 acres, south and east of Timmins, in the Bartlett-Langmuir nickel area. These are seven groups in four townships as follows:

<u>GROUP A</u>	P-59905 to P-59915 incl.
McArthur Township	P-59925 to P-59935 incl.
	P-67261 to P-67274 incl.
	P-79189 to P-79206 incl.
	P-81395 to P-81412 incl.

<u>GROUP B</u>	P-81265 to P-81268 incl.
McArthur Township	P-81423 to P-81425 incl.
	P-81462 to P-81471 incl.
	P-67275
	P-81269 to P-81273 incl.

<u>GROUP C</u>	P-58210 to P-58215 incl.
Douglas Township	P-58217 to P-58221 incl.
	P-58227
	P-79886 to P-79888 incl.
	P-79895 to P-79898 incl.
	P-79919 to P-79934 incl.
	P-79939 to P-79941 incl.
	P-79951 to P-79954 incl.
	P-79936

<u>GROUP D</u>	P-83467 to P-83472 incl.
Eldorado Township	P-85693 to P-85701 incl.
	P-85710 to P-85737 incl.
	P-85740 to P-85754 incl.
	P-85795 to P-85803 incl.
	P-85807 to P-85812 incl.
	P-86444 to P-86449 incl.

<u>GROUP E</u>	P-86390 to P-86443 incl.
Eldorado Township	P-86956

<u>GROUP F</u>	P-74678 to P-74692 incl.
Eldorado & Douglas	P-74693 & P-74694
Townships	P-78820 & P-78821
	P-78823
	P-86484 to P-86486 incl.
	P-86488 & P-86489
	P-86493 to P-86510 incl.
	P-86529 to P-86546 incl.

<u>GROUP G</u>	P-74660 to P-74677 incl.
Langmuir Township	

190966 to 190975 incl.	190621 to 190625 incl.	190926 to 190950 incl.
190595 to 190600 incl.	190626 to 190638 incl.	191326 to 191350 incl.
190951 to 190965 incl.	191926 to 191950 incl.	191101 to 191125 incl.
191801 to 191825 incl.	191951 to 191975 incl.	190639 to 190650 incl.
191826 to 191850 incl.	191976 to 191995 incl.	191401 to 191425 incl.
191851 to 191875 incl.	191426 to 191446 incl.	191388 to 191400 incl.
191876 to 191900 incl.	191351 to 191371 incl.	191776 to 191800 incl.
191901 to 191925 incl.	191001 to 191026 incl.	

GENERAL GEOLOGY

The area is one of Ordovician and Silurian sediments and volcanics which have undergone varying degrees of metamorphism and are intruded by acid to basic rocks of Devonian age. Rocks of principal interest, the host rocks for the various base metal deposit of the area, are acid volcanics, part of the Ordovician Tetagouche series, variously referred to as quartz porphyry, crystal tuff, ash beds, etc., which outcrop in a broad discontinuous arc west and south of Bathurst.

All the Acme groups are underlain by Tetagouche series rocks with the acid volcanic members known on or in close vicinity. Group H is situated one to four miles west of the Heath Steel Mine, while Group J is a similar distance to the south, with both covering portions of a large folded structure.

The other groups are situated 16 to 30 miles further south in areas of sparse outcrop mapped on reconnaissance scale only. Groups K and L were acquired because of favorable results found but not followed up by previous owners. Group N was staked to cover a geochemical high found in regional reconnaissance. The very large group M was staked to surround the area in which had been found large float fragments of high grade lead, zinc and copper ore.

WORK DONE AND RESULTS

Work is still in the preliminary stages on the New Brunswick properties. On Group H a soil sampling program has been completed. Encouraging results were obtained in one area and a check by electromagnetic and possibly induced polarization methods is planned. On Group M soil sampling has been carried out over the central part of the group resulting in three anomalous areas which are to be checked by electromagnetic and/or induced polarization. No work has yet been done on the other groups.

SUMMARY AND CONCLUSIONS

Acme holds very large tracts in three areas. In each case the geological conditions are such that the possibility of finding mineable concentrations of base metals is considered good.

Of the three areas, in the writer's opinion the Michipicoten ground has the most potential. The numerous copper occurrences in an acid to basic volcanic environment suggest the possibility of copper and zinc deposits of importance while the geophysical and geochemical results to date are encouraging. The several iron formations have been investigated in the past by Algoma Steel; however advancing technology, and the change in demand from direct shipping ore to pelletized concentrates from low grade ores suggests a re-examination is justified.

The airborne and ground work done to date in the Michipicoten area will have cost about \$50,000. The ground follow-up in the form of electromagnetic and geochemical surveys, possibly followed by detailed mapping and other geophysical techniques such as magnetic, induced polarization, and gravity methods will take another five to eight months depending on results, at an estimated cost of \$10,000 per month.

Diamond drilling is certain to be required on various anomalous features. With a light, portable drill, costs will be of the order of \$5.00 to \$6.00 per foot. Footage drilled will be dependent on results. If

All groups are within 20 miles of the Town of Timmins and accessible by road or air from there.

GENERAL GEOLOGY

The area is one of mixed acid to basic volcanics enclosed in granites, and intruded by numerous ultrabasic bodies. In much of the area, mapping has been done only on a reconnaissance scale and details are not well known.

The area is of interest primarily because of the several nickel bodies recently discovered such as those of Texmont in Bartlett Township, and McWaters, Mining Corporation, and International Nickel Company, in Langmuir Township. Each of these deposits is situated in, and genetically related to the ultrabasic intrusives.

All of the Acme groups were acquired to cover various ultrabasic bodies. Groups A and B are situated one to five miles north of Texmont and cover much of the northward extension of the Texmont host rock. Groups D to G are situated one to seven miles west and south of the McWatters and Inco finds and cover related rocks, while Group C is situated on a basic intrusive located about midway between these.

WORK DONE AND RESULTS OBTAINED

Airborne magnetic and electromagnetic surveys have been done over all the claims other than Group C in Douglas Township. This has been followed up by ground magnetic and electromagnetic work and soil sampling, over selected areas. To date five magnetic and conductive anomalies have been selected for drilling in Group D. On Group A two very lengthy anomalies are being checked by detailed soil sampling; results are not yet available.

Ground magnetic and electromagnetic work on Groups C and G was negative. No ground follow-up has yet been done on Group B.

NEW BRUNSWICK PROPERTIES

PROPERTIES

Acme owns 1342 claims and holds an option on a further 58 claims, all in six blocks, in Northumberland county, southwest of Bathurst, and within a radius of 40 miles of the Town of Newcastle. Total area held is about 54,000 acres. All groups are accessible from roads.

The optioned claims, part of group II, are:

174308 to 174329 incl.	179340 to 179341	181129 to 181134 incl.
174386 to 174394 incl.	179373	180763
176401 to 176412 incl.	181116	176422 to 176425 incl.

The wholly owned claims are:

177171 to 177178 incl.	188176 to 188190 incl.	188781 to 188782 incl.
181593 to 181594 incl.	185736 to 185744 incl.	188761 to 188775 incl.
181597 to 181598 incl.	185726 to 185735 incl.	188776 to 188780 incl.
184377 to 184386 incl.	187691 to 187705 incl.	188783 to 188790 incl.
184351 to 184353 incl.	188301 to 188319 incl.	188451 to 188455 incl.
184357 to 184360 incl.	188511 to 188513 incl.	191151 to 191175 incl.
183726 to 183750 incl.	187836 to 187845 incl.	191176 to 191200 incl.
183701 to 183704 incl.	187866 to 187875 incl.	191126 to 191150 incl.
183709 to 183716 incl.	188468 to 188473 incl.	188791 to 188810 incl.
185926 to 185950 incl.	188478 to 188480 incl.	188971 to 188975 incl.
185331 to 185350 incl.	185762 to 185765 incl.	188701 to 188725 incl.
185396 to 185400 incl.	188271 to 188272 incl.	188826 to 188832 incl.
183705 to 183706 incl.	187876 to 187877 incl.	190553 to 190571 incl.
185401 to 185420 incl.	188276 to 188278 incl.	190576 to 190594 incl.
185746 to 185755 incl.	188283 to 188285 incl.	190601 to 190620 incl.
188191 to 188198 incl.	188246 to 188250 incl.	191201 to 191225 incl.
187651 to 187671 incl.	187672 to 187675 incl.	188833 to 188850 incl.
188226 to 188245 incl.	187878 to 187884 incl.	190976 to 190981 incl.
188251 to 188270 incl.	187826 to 187835 incl.	190701 to 190722 incl.
188273 to 188275 incl.	188526 to 188540 incl.	191301 to 191325 incl.
188279 to 188282 incl.	187846 to 187855 incl.	190982 to 191000 incl.
188286 to 188300 incl.	188496 to 188508 incl.	191051 to 191063 incl.
185756 to 185761 incl.	188811 to 188825 incl.	191026 to 191050 incl.
188432 to 188450 incl.	191601 to 191606 incl.	192376 to 192383 incl.
186201 to 186206 incl.	185713 to 185720 incl.	

2,000 feet per month is assumed during the five to eight month follow-up period, total cost will be in the \$50,000 to \$96,000 range. In summation, the airborne survey, ground follow-up and drilling during the 1966 season is expected to total \$150,000 to \$225,000.

In New Brunswick the various claim groups offer good exploration possibilities. While much of the ground remains to be explored, the geochemical work done to date is encouraging in two areas. A field crew is currently engaged in extending the geochemical surveys. This will be followed by electromagnetic and/or induced polarization over anomalous zones. Cost of this initial investigation is expected to be in the \$30,000 - \$50,000 range. It is considered likely that a number of drillable targets will be outlined and it is suggested the company be prepared to undertake about 5,000 feet of diamond drilling at an estimated cost of \$5.00 per foot.

In Timmins area Acme's holdings cover a large part of the favorable ultrabasic intrusives lying between the Texmont and the Mining Corporation - Inco nickel deposits. At present Acme's principal effort is being concentrated in the Michipicoten area; in Timmins a limited drilling program is planned to test anomalous features described above, plus some further geophysical and geochemical work. Cost is estimated at \$20,000.

Respectfully submitted,



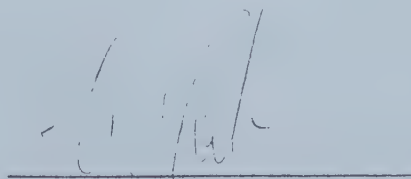
L. G. Phelan, M.A.Sc., P.Eng.
Consulting Geologist

Toronto, Ontario
9 June, 1966

CERTIFICATE OF QUALIFICATION

I, Leo Gerard Phelan, do hereby certify that:

1. I am a practising consulting geologist with offices at 80 Richmond Street West, Toronto 1, Ontario.
2. I am a graduate of the University of Toronto and have been granted the degrees of Bachelor of Applied Science in 1947 and Master of Applied Science in geology in 1949.
3. I am a member of the Associations of Professional Engineers of Ontario and Manitoba, a member of the Canadian Institute of Mining and Metallurgy and a fellow of the Geological Association of Canada.
4. I have no interest direct or indirect in the properties or securities of Acme Gas and Oil Company Limited nor do I expect to receive any such interest whatsoever.
5. Information on the various holdings of Acme Gas and Oil Company Limited is based on Company records, on various geological publications and on my general experience in the areas discussed.



L. G. Phelan

Toronto, Ontario
9 June, 1966

17. If assets include investments in the shares or other securities of other companies, give an itemized statement thereof showing cost or book value and present market value.	<table><tr><th></th><th>Book Value</th><th>Market Value</th></tr><tr><td>151,650 shs. Barex Trust</td><td>1.00</td><td>\$72,792.00</td></tr><tr><td>70 shs. Barrymin Explorations</td><td>1.00</td><td>15.00</td></tr><tr><td>2,875 shs. Keradec Petroleums</td><td>4,850.00</td><td>--</td></tr><tr><td>4,666 shs. Acroll Oil & Gas Limited</td><td>1.00</td><td>1,399.80</td></tr><tr><td></td><td><u>\$4,853.00</u></td><td><u>\$74,206.80</u></td></tr></table>		Book Value	Market Value	151,650 shs. Barex Trust	1.00	\$72,792.00	70 shs. Barrymin Explorations	1.00	15.00	2,875 shs. Keradec Petroleums	4,850.00	--	4,666 shs. Acroll Oil & Gas Limited	1.00	1,399.80		<u>\$4,853.00</u>	<u>\$74,206.80</u>
	Book Value	Market Value																	
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4,666 shs. Acroll Oil & Gas Limited	1.00	1,399.80																	
	<u>\$4,853.00</u>	<u>\$74,206.80</u>																	
18. Brief statement of any lawsuits pending or in process against company or its properties.	N O N E																		
19. The dates of and parties to and the general nature of every material contract entered into by the company which is still in effect and is not disclosed in the foregoing.	<p>Under the terms of an agreement dated February 15th, 1966, between Algoma Central Railway (A.C.R.) and B.W. Lang which was assigned on February 18th by B.W. Lang to Acme and an agreement dated March 3rd, 1966, between Acme and Wm. E. Nyman and J.D. Crone, Acme holds a 3-year working option on 10 Townships (being Townships No. 29 to 33 inclusive in Ranges 25 and 26, Sault Ste. Marie Mining Division in Ontario) with a net area of about 348 square miles after deducting areas of claims and leases held by others. These Townships have been withdrawn from staking until May 31st, 1968. Consideration for the option was \$12,500 paid to Algoma Central Railway. The area held under option shall be reduced on or before May 31st, 1968 by Acme giving notice as to the number of 40-acre units or claims which it wishes to hold under option until May 31st, 1969. In order to maintain the option in good standing, it will be necessary to expend on exploration \$35,000 by May 31st, 1967, an additional \$45,000 by May 31st, 1968, and a further amount by May 31st, 1969 of \$50,000 or a greater sum calculated by multiplying \$100 by the number of 40-acre units which Acme elects on or before May 31st, 1968 to hold under option.</p> <p>Acme may incorporate a new company or companies, from time to time, on or before May 31st, 1969, and after the above mentioned expenditures have been made, to acquire such of the 40-acre units or claims then held under option as Acme may decide. A.C.R. will issue for the 40-acre units acquired by each new company a Lease for 21 years renewable from time to time, for 21 years if the property is in commercial production but if commercial production is not commenced within 10 years the Lease will be transferred back to A.C.R.</p> <p>Vendors shares issued by each new Company shall be for a number in accordance with Ontario Securities Commission regulations (10% free and 90% escrowed) of which 25% shall be issued to A.C.R., 5% to Wm. E. Nyman, 5% to Duncan Crone and 65% to Acme, Nyman and Crone being the parties responsible for interesting Lang and Acme in acquiring this option. A.C.R. has the right to subscribe from time to time up to a maximum of 25% of the financing of any new company. A.C.R. shall nominate one of the five directors of each company. Acme (and the new companies) agree to ship all freight on A.C.R. railroad and steamships providing rates and services which are competitive with others.</p> <p>The Company has acquired an option to purchase 58 mining claims in Northumberland County in the Province of New Brunswick from Woodrow Johnston, of R.R. #2, Redbank, New Brunswick, payable \$1,500.00 on the signing of the agreement, and to continue the option in force \$3,000 on or before September 25, 1966, \$10,000 on or before September 25, 1967, \$15,000 on or before September 25, 1968, and \$20,000 on or before September 25, 1969, and 150,000 shares in a mining company which acquires mining claims.</p>																		
20. Statement of any other material facts and if none, so state. Also state whether any shares of the company are in the course of primary distribution to the public.	<p>There are no other material facts.</p> <p>As far as the undersigned are aware, no shares are in the course of primary distribution to the public.</p>																		

DATED July 14, 1966.

CERTIFICATE OF THE COMPANY

The foregoing, together with the financial information and other reports where required, constitutes full, true and plain disclosure of all material facts in respect of the matters referred to in Item 1 above and in respect of the company's affairs and there is no further material information applicable. (To be signed by two principal signing officers who are directors and the corporate seal to be affixed.)

"B.W. Lang"

"R.A. Cranston"

CERTIFICATE OF UNDERWRITER OR OPTIONEE

CORPORATE
SEAL

President

Secretary

To the best of my knowledge, information and belief, the foregoing, together with the financial information and the reports where required, constitutes full, true and plain disclosure of all material facts in respect of the matters referred to in Item 1 above in respect of the company's affairs. Concerning matters which are not within my knowledge, I have relied upon the accuracy and adequacy of the information supplied to me by the company. (To be signed by underwriter or optionee registered with the Ontario Securities Commission or a corresponding body.)

THE TORONTO STOCK EXCHANGE

FILING STATEMENT NO. 1562.
FILED, JUNE 15th, 1967.

ACME GAS & OIL CO., LIMITED

Full corporate name of Company

Ontario Letters Patent dated July 12, 1929.

Particulars of incorporation (e.g., Incorporated under Part IV of the Corporations Act, 1953
(Ontario) by Letters Patent dated May 1st, 1957).Reference is made to previous
Filing Statement No. 1467.

FILING STATEMENT

(To be filed with respect to any material change in a company's affairs, including among other things,
an underwriting and option agreement, an issue of shares for property and a proposed re-organization.)

1. Brief statement of the material change in the affairs of the company in respect of which this statement is filed.	The issuance of 200,000 shares to satisfy a debt of the company to Canadian Aero Mineral Surveys Limited, in the amount of \$36,379.70 being the balance owing for airborne geophysical surveys over the company's properties held under a working option in the Michipicoten Area.																							
2. Head office address and any other office address.	Suite 1705 80 Richmond Street West Toronto 1, Ontario																							
3. Names, addresses and chief occupations for the past five years of present or proposed officers and directors.	Bert W. Lang, President & Director, Mining Executive 2577 Lakeshore Blvd. W., Toronto 14, Ontario, J.L.C. Jenner, Vice-President & Director, Registered Representative 3 Crediton Court, Islington, Ontario J.T. Garrow, Q.C., Director, Barrister & Solicitor 34 Chestnut Park Rd., Toronto 5, Ontario. D.H. Stodart, Director, Chartered Accountant, 40 Plymbridge Rd., Willowdale, Ontario. R.A. Cranston, Q.C., Secretary & Director, Barrister & Solicitor 220 Cortleigh Blvd., Toronto 12, Ontario. E.A. Pigulski, Treasurer & Assistant Secretary, Accountant, 36 Baybrook Avenue, Toronto, Ontario. John Lindsay, Assistant Treasurer, Accountant 112 Goulding Avenue, Willowdale, Ontario.																							
4. Share capitalization showing authorized and issued and outstanding capital.	Authorized Issued	7,000,000 4,543,804	No par value																					
5. Particulars in respect of any bonds, debentures, notes, mortgages, charges, liens or hypothecations outstanding.	None																							
6. Details of any treasury shares or other securities now the subject of any underwriting, sale or option agreement or of any proposed underwriting, sale or option agreement.	1. None other than as set out in number one above. 2. 200,000 shares have been set aside or reserved for the purpose of granting stock options to full-time employees of the company and of which options have been granted with respect to 59,000 shares at 20¢ per share and 42,000 shares at 25¢ per share of which 47,000 shares at 20¢ per share have been purchased.																							
7. Names and addresses of persons having any interest, direct or indirect in underwritten or optioned shares or other securities or assignments, present or proposed, and, if any assignment is contemplated, particulars thereof.	Outstanding options to employees: <table><tr><td><u>Name</u></td><td><u>No. of Shares</u></td><td><u>Price per share</u></td></tr><tr><td>J. Duncan Crane</td><td>12000</td><td>20¢</td></tr><tr><td>W.E. Nyman</td><td>18000</td><td>25¢</td></tr><tr><td>Andre Gratton</td><td>6000</td><td>25¢</td></tr><tr><td>Richard Besette</td><td>6000</td><td>25¢</td></tr><tr><td>Albert Tomchick</td><td>6000</td><td>25¢</td></tr><tr><td>Rebecca Brethner</td><td>6000</td><td>25¢</td></tr></table> all of which are exercisable on or before July 7, 1968, or thirty days after termination of employment whichever is later.			<u>Name</u>	<u>No. of Shares</u>	<u>Price per share</u>	J. Duncan Crane	12000	20¢	W.E. Nyman	18000	25¢	Andre Gratton	6000	25¢	Richard Besette	6000	25¢	Albert Tomchick	6000	25¢	Rebecca Brethner	6000	25¢
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Andre Gratton	6000	25¢																						
Richard Besette	6000	25¢																						
Albert Tomchick	6000	25¢																						
Rebecca Brethner	6000	25¢																						
8. Any payments in cash or securities of the company made or to be made to a promoter or finder in connection with a proposed underwriting or property acquisition.	None																							
9. Brief statement of company's future development plans, including proposed expenditure of proceeds of sale of treasury shares, if any.	No specific allocation of the available funds has been made but the Company proposes to continue exploration of its properties in the Michipicoten Area and in the Timmins New Brunswick and Lake Arrow Areas to the extent the company has funds available for the purpose.																							
10. Brief statement of company's chief development work during past year.	Exploration and Development work to May 31, 1967 consisted of: Airborne and ground geophysical surveys, soil sampling and diamond drilling on property interests in Michipicoten Area (approximately \$198,600.00). Ground geophysical and geochemical surveys on properties in the New Brunswick Area (approximately \$25,000.00). Airborne and ground geophysical surveys, including soil sampling, on Timmins area claims (approximately \$57,930.00). Prospecting and trenching on Sudbury Area claims (approximately \$19,433.00). General prospecting and Exploration (approximately \$6,500.00).																							

SCHEDULE "A"

1. Under the terms of an agreement dated February 15th, 1966 between Algoma Central Railway (A.C.R.) and B.W. Lang which was assigned on February 18th by B.W. Lang To Acme and an agreement dated March 3rd, 1966, between Acme and Wm. E. Nyman and J.D. Crone, Acme holds a 3-year working option on 10 Townships (being Townships No. 29 to 33 inclusive in Range 25 and 26, Sault Ste. Marie Mining Division in Ontario) with a net area of about 348 square miles after deducting areas of claims and leases held by others. These Townships have been withdrawn from staking until May 31st, 1968. Consideration for the option was \$12,500 paid to Algoma Central Railway. The area held under option shall be reduced on or before May 31st, 1968 by Acme giving notice as to the number of 40-acre units or claims which it wishes to hold under option until May 31st, 1969. In order to maintain the option in good standing, it will be necessary to expend on exploration \$35,000 by May 31st, 1967, an additional \$45,000 by May 31st, 1968, and a further amount by May 31st, 1969 of \$50,000 or a greater sum calculated by multiplying \$100 by the number of 40-acre units which Acme elects on or before May 31st, 1968 to hold under option.

Acme may incorporate a new company or companies from time to time, on or before May 31st, 1969, and after the above mentioned expenditures have been made, to acquire such of the 40-acre units or claims then held under option as Acme may decide, A.C.R. will issue for the 40-acre units acquired by each new company a Lease for 21 years renewable from time to time, for 21 years if the property is in commercial production but if commercial production is not commenced within 10 years the Lease will be transferred back to A.C.R.

Vendors shares issued by each new Company shall be for a number in accordance with Ontario Securities Commission regulations (10% free and 90% escrowed) of which 25% shall be issued to A.C.R., 5% to Wm. E. Nyman, 5% to Duncan Crone and 65% to Acme, Nyman and Crone being the parties responsible for interesting Lang and Acme in acquiring this option. A.C.R. has the right to subscribe from time to time up to a maximum of 25% of the financing of any new company. A.C.R. shall nominate one of the five directors of each company. Acme (and the new companies) agree to ship all freight on A.C.R. railroad and steamships providing rates and services which are competitive with others.

2. Under the terms of an agreement dated October 1, 1966 between Algoma Central Railway (A.C.R.) and Bert W. Lang which has been assigned to the company, the company holds a 3-year working option on Townships 26 in Range 26, and 27 in Range 25 in the District of Algoma. Consideration paid for the option was \$3500.00 and the area held under option is about 132 square miles. The area shall be reduced on or before September 30, 1968 by notice as to the number of 40-acre units or claims to be held under option until September 30, 1968

SCHEDULE "A" (continued)

In order to maintain the option in good standing it will be necessary to expend on exploration \$15,000 by September 30th, 1967, an additional \$20,000 by September 30th, 1968 and a further amount by September 30th, 1969 of \$25,000 or a greater sum calculated by multiplying \$100 by the number of 40-acre units which the company elects on or before September 30th, 1968 to hold under option.

For the purpose of determining whether minimum expenditures have been made from time to time it is intended to interpret this agreement and the former agreement as one by adding together the minimum expenditures required to keep the two options in good standing.

The company may incorporate a new company or companies, from time to time after the company has expended \$60,000 plus, on or before September 30th, 1969, and after the above mentioned expenditures have been made, to acquire such of the 40-acre units or claims then held under option as the Company may decide. A.C.R. will issue for the 40-acre units acquired by each new company a Lease for 21 years renewable, from time to time, for 21 years if the property is in commercial production but if commercial production is not commenced within 10 years the Lease will be transferred back to A.C.R.

Vendors shares issued by each new Company shall be for a number in accordance with Ontario Securities Commission regulations (10% free and 90% escrowed) of which 25% shall be issued to A.C.R. and 75% to the company. A.C.R. shall have the right to subscribe from time to time up to a maximum of 25% of the financing of any new company. A.C.R. shall nominate one of the five directors of each company. The company (and the new companies) agree to ship all freight on A.C.R. railroad and steamships providing rates and services are competitive with others.

- Mr. Bert W. Lang has offered to the company
- (3) the right (which is still outstanding) to purchase six mining claims P86129 to P86133 inclusive, and P86479 in Eldorado Township for a price of \$624.90 exercisable on or before December 31, 1967.
- (4) Mr. Bert W. Lang has granted to the company until September 1, 1967 the right (which is still outstanding) to purchase from him any claims S138836 to S138841 in Drury Township, parcel 8288 in the Register for the District of Sudbury in the said Township and the right to take an assignment from him of the option to purchase dated September 14, 1966 from Stanley Grimsell et al of a further 20 mining claims in Drury Township. To exercise the option the company will be obliged to pay to Mr. Bert W. Lang any monies expended by him as at September 1, in acquiring of the mining claims or the option to purchase the mining claims.

FINANCIAL STATEMENTS

ACME GAS & OIL CO., LIMITED
and its Subsidiary
BORRADAILE OILS LIMITED

Consolidated Balance Sheet as at May 31st, 1967

A S S E T S

Current

Cash in Bank		\$ 32,390.76	
Accounts Receivable		1,512.43	
Marketable Securities - at book value		1.00	
70 shs. Barymin Explorations Ltd.	\$ 14.70		
4,666 shs. Acroll Oil and Gas Ltd.	793.22		
Market Value	\$ 807.92		\$ 33,904.19

Lands - at Cost less proceeds of sales 19,784.85

Shares in Keradec Petroleums Ltd.
(75% Interest) 27,049.42

Interest in Oil and Gas leases, and
royalties, at cost less write down of
\$11,634:

- Colchester - gas & oil lease	\$ 4,460.26		
- oil well equipment less depreciation	2,059.54	\$ 6,519.80	
- Lowbanks Well		1,000.00	
- Dormant oil wells, etc.		1,001.00	8,520.80

Mining Properties

Timmins Area	388 claims	\$ 16,255.20	
Wawa Area - 2 options plus	240 claims	22,739.77	
New Brunswick Province	445 claims	8,150.93	47,145.90

Fixed

Equipment at Cost	\$ 19,602.05		
- less accumulated depreciation	7,121.51		12,480.54

Deferred Exploration & Administrative Expenditures 374,875.71

Unsecured Advance 1,703.02

\$ 525,464.43

ACME GAS & OIL CO., LIMITED
and its Subsidiary
BORRADAILE OILS LIMITED

Consolidated Balance Sheet as at May 31st, 1967

L I A B I L I T I E S

Current

Accounts Payable	\$ 43,621.94		
Owing to Directors	8,373.58	\$ 51,995.52	

SHAREHOLDERS' EQUITY

Capital Stock

Authorized:

7,000,000 shares of n.p.v.

Issued:

4,543,804 shares \$ 1,117,743.55

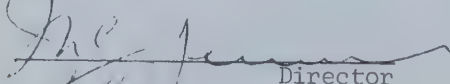
Deficit


Balance at December 31st, 1966	\$ 651,838.73		
Add Cost of claims abandoned	22,097.13		
Add loss on Sale of Mortgage	22,049.89		
	\$ 695,985.75		

Less Proceeds from Sale of
Marketable Securities 51,711.11 \$ 644,274.64 473,468.91

\$ 525,464.43

Approved:


Director


Director

ACME GAS & OIL CO., LIMITED
and its Subsidiary
BORRADAILE OILS LIMITED

Consolidated Statement of Deferred Exploration, Development
and Administrative Expenditures for the Period January 1 - May 31, 1967

	At <u>Dec. 31, 1966</u>	January 1 - <u>May 31, 1967</u>	At <u>May 31, 1967</u>
Exploration & Development Expenses			
- per schedule	\$ 307,581.23	\$ 43,237.74	\$ 350,818.97
Administrative Expenses - per schedule	58,132.97	8,526.83	66,659.80
Taxes on Real Estate properties	2,359.89	(986.87)	1,373.02
	<u>\$ 368,074.09</u>	<u>\$ 50,777.70</u>	<u>\$ 418,851.79</u>
Less Revenues:			
Gas & Oil Royalties	\$ 5,179.99	\$ 750.39	\$ 5,930.38
- Deduct Depreciation Oil Well Equipment	880.00		880.00
	<u>\$ 4,299.99</u>	<u>\$ 750.39</u>	<u>\$ 5,050.38</u>
Interest	9,688.07		9,688.07
Right-of-Way Lease	45.00		45.00
Dividends from Securities	29,192.63		29,192.63
	<u>\$ 43,225.69</u>	<u>\$ 750.39</u>	<u>\$ 43,976.08</u>
Net Deferred Exploration, Development and Administrative Expenditures	<u>\$ 324,848.40</u>	<u>\$ 50,027.31</u>	<u>\$ 374,875.71</u>

ACME GAS & OIL CO., LIMITED
and its Subsidiary
BORRADAILE OILS LIMITED

Consolidated Statement of Deferred Exploration & Development Expenses
for the Period January 1 - May 31, 1967

	At <u>Dec. 31, 1966</u>	January 1 - <u>May 31, 1967</u>	At <u>May 31, 1967</u>
<u>Province of Quebec</u>			
Gross	\$ 111,194.50		\$ 111,194.50
Written Off to Deficit	111,194.50		\$ 111,194.50
Net	<u>\$ 0</u>		<u>\$ 0</u>
<u>Province of Ontario</u>			
General Exploration	\$ 6,433.14	\$ 72.00	\$ 6,505.14
Less Written Off	6,433.14		6,433.14
	<u>\$ 0</u>	<u>\$ 72.00</u>	<u>\$ 72.00</u>
Timmins Area	\$ 57,082.92	\$ 846.94	\$ 57,929.86
Less Written Off	1,225.18		1,225.18
	<u>\$ 55,857.74</u>	<u>\$ 846.94</u>	<u>\$ 56,704.68</u>
Wawa Area	\$ 171,613.24	\$ 26,992.60	\$ 198,605.84
Sudbury Area	13,421.78	6,010.80	19,432.58
Gross Ontario	\$ 248,551.08	\$ 33,922.34	\$ 282,473.42
Less Written Off	7,658.32		7,658.32
Net	<u>\$ 240,892.76</u>	<u>\$ 33,922.34</u>	<u>\$ 274,815.10</u>
<u>Province of New Brunswick</u>	\$ 57,932.32	\$ 8,838.60	\$ 66,770.92
Depreciation on Exploration Equipment	9,628.00		9,628.00
Loss on Disposal of Equipment	2,409.91	476.80	2,886.71
Total Exploration & Development Expenses	\$ 310,862.99	\$ 43,237.74	\$ 354,100.73
- Less Depreciation Written Off to Deficit portion representing percent- age of charges on claims abandoned	<u>3,281.76</u>		<u>3,281.76</u>
Net Exploration & Development Expenditures	<u>\$ 307,581.23</u>	<u>\$ 43,237.74</u>	<u>\$ 350,818.97</u>

ACME GAS & OIL CO., LIMITED
and its Subsidiary
BORRADAILE OILS LIMITED

Consolidated Statement of Deferred Administrative Expenses
for the Period January 1 - May 31, 1967

	At Dec. 31, 1967	January 1 - May 31, 1967	At May 31, 1967
Auditing	\$ 2,005.40	\$	\$ 2,005.40
Bank Charges	178.77	\$ 24.40	203.17
Canada Pension Plan	129.78	73.45	203.23
Capital & Place of Business Tax	187.50		187.50
Directors' Fees	1,400.00	1,150.00	2,550.00
Filing Fees - T.S.E.	1,946.54		1,946.54
Group Insurance & Medical	312.17	64.00	376.17
Interest	357.67		357.67
Legal	11,503.98	885.60	12,389.58
Office Services & Accommodation	4,400.00	1,000.00	5,400.00
Office Supplies & Expenses	151.72	2.08	153.80
Publicity	380.51		380.51
Share Certificates & Warrants	2,462.31	345.74	2,808.05
Head Office Salaries	15,989.20	4,572.50	20,561.70
Shareholders' Meetings & Reports	5,843.73	7.64	5,851.37
Stationery & Printing	603.09	22.48	625.57
Sundry	2,463.44	20.00	2,483.44
Telephone & Telegraph	3,380.49	220.77	3,601.26
Transfer Agent's Fees & Expenses	12,081.09	73.34	12,154.43
Travel	552.39		552.39
Workmen's Compensation	129.88	45.71	175.59
Unemployment Insurance	28.18	19.12	47.30
	\$ 66,487.84	\$ 8,526.83	\$ 75,014.67
Less:			
Written Off to Deficit portion represent- ing percentage of Deferred charges on claims abandoned	8,354.87		8,354.87
Net Administrative Expenses	\$ 58,132.97	\$ 8,526.83	\$ 66,659.80

ACME GAS & OIL CO., LIMITED

Source and Application of Funds
For the Period January 1st to May 31st, 1967

Source of Funds

Royalties from Gas and Oil Wells	\$ 750.39		
Proceeds from Sale of Marketable Securities	\$ 51,711.11		
Sale of First Mortgage - Principal and Interest	\$ 57,049.89		
- Less current portion	7,649.89	49,400.00	
Sale of Real Estate Lands		9,500.00	
Cost of Mining Claims abandoned	\$ 22,097.13		
- Less Cost of Filing Ownerships	314.00	21,783.13	
Sale of Field Equipment		576.80	\$ 133,721.43

Application of Funds

Cost of Claims Written Off to Deficit	\$ 22,097.13		
Loss on Sale of 6% First Mortgage	22,049.89		
Increase in Net Deferred Exploration & Administrative Expenditures	\$ 50,027.31		
- Add Back Royalties Interest	750.39		
- Increase in Gross Account		50,777.70	94,924.72

Increase in Working Capital \$ 38,796.71

Changes in Working Capital

Increases



Cash on deposit	\$ 38,030.13		
Reduction of Current Payables	10,818.49	\$ 48,848.62	

Less Decreases

Current Receivables Collected	\$ 454.45		
Current Portion of First Mortgage Principal	\$ 6,500.00		
Accrued Interest	1,149.89	7,649.89	
Directors' Advances and Fees		1,947.57	10,051.91

Net Increase \$ 38,796.71

Approved:


Director

Director

June 13, 1967.

The Toronto Stock Exchange
234 Bay Street
TORONTO 1, Ontario

Dear Sirs:

There have been no material changes in the financial affairs of this Company since the financial statements dated May 31st, 1966, except in the ordinary course of business and except for the sales of 30,145 shares of Keradec Petroleum Limited for \$10,000.00, 70 shares of Barymin for \$10.59 and 4,666 shares of Acroll Oil & Gas Ltd. for \$632.15 and except as may result from acceptance of filing statement of even date.

ACME GAS & OIL CO. LIMITED

PER: _____ Director

Director

PROVINCE OF ONTARIO }
COUNTY OF CARLETON }
TO WIT: }

I, DOUGLAS G. MacKAY, of the City of Ottawa, in the County of Carleton, MAKE OATH AND SAY as follows:

1. That I am the President of Canadian Aero Mineral Surveys Limited.
2. That Acme Gas & Oil Co. Limited is indebted to Canadian Aero Mineral Surveys Limited in the sum of \$36,379.70 for work performed for Acme Gas & Oil Co. Limited on an arms length basis.

SWORN before me at the City
of Ottawa, in the County of
Carleton, this day
of , 1967.

Douglas G. Mackay

J. L. Macdonald
A Commissioner, etc.

11. Names and addresses of vendors of any property or other assets intended to be purchased by the company showing the consideration to be paid.	Not Applicable
12. Names and addresses of persons who have received or will receive a greater than 5% interest in the shares or other consideration to be received by the vendor. If the vendor is a limited company, the names and addresses of persons having a greater than 5% interest in the vendor company.	Not Applicable
13. Number of shares held in escrow or in pool and a brief statement of the terms of escrow or the pooling agreement.	Not Applicable
14. Names and addresses of owners of more than a 5% interest in escrowed shares and their shareholdings (If shares are registered in the names of nominees or in street names, give names of beneficial owners, if possible.)	Not Applicable
15. Names, addresses and shareholdings of five largest registered shareholders and if shareholdings are pooled or escrowed, so stating. If shares are registered in names of nominees or in street names, give names of beneficial owners, if possible, and if names are not those of beneficial owners, so state.	<p>Bay & Company 51 King Street West, Toronto 1,273,773 shares (of these shares Bert W. Lang is the beneficial owner of 870,470 shares)</p> <p>Bert W. Lang - Beneficial owner 2577 Lakeshore Blvd. West Toronto 14, Ontario 214,167 shares</p> <p>Doherty Roadhouse & McCuaig Bros. 335 Bay Street Toronto 1, Ontario 11,11 shares</p> <p>Bay & Company #100 Mount C/O Royal Bank of Canada Bay and Temperance Streets Toronto, Ontario 100,000 shares</p> <p>Willis Bickle & Co. Limited 147,333 shares (of which J.L.C. Jenner 3 Crediton Court, Islington, Ontario is the beneficial owner of 31,000 shares)</p>
16. Names, and addresses of persons whose shareholdings are large enough to materially affect control of the company.	Bert W. Lang 2577 Lakeshore Blvd. West Toronto 14, Ontario
17. If assets include investments in the shares or other securities of other companies, give an itemized statement thereof showing cost or book value and present market value.	<p>All of the securities held by the Company were sold on the open market as follows:</p> <p>In 1966 18,500 shares The Barex Trust- 7101.44 In 1967 133,150 shares The Barex Trust- 51711.11 In 1968 111,700 shares The Barex Trust- 550070.55</p> <p>In 1967 70 shares Marywin Explorations Ltd. 10.00 In 1967 500 shares Agroll Oil and Gas Ltd. 10.00 In 1967 30,148 shares Kerabee Petroleum Ltd. 10,000.00</p> <p>In addition during the year 1967 the first mortgage on real estate was sold in an arm's length transaction for \$40,000.00 to Norman Ellis and a certain parcel of land was sold to the Team of Petroleum for \$4,500.00.</p>
18. Brief statement of any lawsuits pending or in process against company or its properties.	None
19. The dates of and parties to and the general nature of every material contract entered into by the company which is still in effect and is not disclosed in the foregoing.	See Schedule "A" on pages 2 and 3.
20. Statement of any other material facts and if none, so state. Also state whether any shares of the company are in the course of primary distribution to the public.	<p>As far as the undersigned are aware no shares are in the course of primary distribution to the public.</p> <p>Mr. Bert W. Lang, the President and a Director of the Company, has agreed with Canadian Aero Mineral Surveys Limited to pay to that Company on September 14, 1967 the difference between the sum of \$30,379.70 and the net proceeds then received by that Company from the sale of any of the said 200,000 shares.</p>

CERTIFICATE OF THE COMPANY

DATED June 13, 1967

The foregoing, together with the financial information and other reports where required, constitutes full, true and plain disclosure of all material facts in respect of the matters referred to in Item 1 above and in respect of the company's affairs and there is no further material information applicable. (To be signed by two principal signing officers who are directors and the corporate seal to be affixed.)

"J.L.C. Jenner"

CORPORATE
SEAL

"R.A. Cranston"

CERTIFICATE OF UNDERWRITER OR OPTIONEE

To the best of my knowledge, information and belief, the foregoing, together with the financial information and the reports where required, constitutes full, true and plain disclosure of all material facts in respect of the matters referred to in Item 1 above in respect of the company's affairs. Concerning matters which are not within my knowledge, I have relied upon the accuracy and adequacy of the information supplied to me by the company. (To be signed by underwriter or optionee registered with the Ontario Securities Commission or a corresponding body.)

THE TORONTO STOCK EXCHANGE

17/5/68
23/5/68

FILING STATEMENT NO. 1614.
FILED, MAY 29th, 1968.

ACME GAS & OIL CO. LIMITED

Full corporate name of Company

Ontario Letters Patent dated July 12, 1922

Particulars of incorporation (e.g., Incorporated under Part IV of the Corporations Act, 1953

(Ontario) by Letters Patent dated May 1st, 1957). Reference is made to previous

FILING STATEMENT

(To be filed with respect to any material change in a company's affairs, including among other things, an underwriting and option agreement, an issue of shares for property and a proposed re-organization.)

1. Brief statement of the material change in the affairs of the company in respect of which this statement is filed.	<p>(a) The offering of rights to the shareholders of the Company to purchase 948,760 shares of the capital stock of the Company at 25¢ per share.</p> <p>(b) The exercise of an option to purchase the mining claims referred to in item 11 hereof and to acquire the option to purchase mining claims referred to in the said item.</p> <p>(c) Extension of time to July 2, 1970 for the exercise of options which may be granted to employees under Employees Incentive Stock Option Plan</p>
2. Head office address and any other office address.	Suite 1705, 80 Richmond Street West, Toronto 1, Ontario.
3. Names, addresses and chief occupations for the past five years of present or proposed officers and directors.	<p>Bert W. Lang, President & Director, Mining Executive, 2577 Lakeshore Blvd. W., Toronto 14, Ontario.</p> <p>D. H. Stodart, Director, Chartered Accountant, 49 Plymbridge Road, Willowdale, Ontario.</p> <p>R. A. Cranston, Q.C., Secretary & Director, Barrister & Solicitor, 220 Cortleigh Blvd., Toronto 12, Ontario.</p> <p>E. A. Pigulski, Treasurer, Assistant Secretary & Director, Accountant, 36 Saybrook Avenue, Toronto 18, Ontario.</p> <p>R. W. Pingle, Director, Registered Representative, 888 Argyle Road, Windsor, Ontario.</p> <p>Note: Messrs. E. A. Pigulski and R. W. Pingle have replaced Messrs. J. T. Garrow and J.L.C. Jenner who resigned.</p>
4. Share capitalization showing authorized and issued and outstanding capital.	<p>Authorized: 7,000,000 No par value</p> <p>Issued: 4,743,804</p>
5. Particulars in respect of any bonds, debentures, notes, mortgages, charges, liens or hypothecations outstanding.	None
6. Details of any treasury shares or other securities now the subject of any underwriting, sale or option agreement or of any proposed underwriting, sale or option agreement.	<p>The Company will offer to its shareholders, as of record date June 6, 1968, 948,760 shares at the price of 25¢ per share through the issuance of 4,743,804 rights. Each holder of rights may purchase one share for every five rights and 25¢. The rights are exercisable on or before June 27, 1968. Subscriptions for fractional shares will not be accepted. The new issue will not be registered under The Securities Act of 1933 of the United States of America and the shares will not be offered to shareholders whose recorded addresses are in the United States or any of its territories or possessions. The rights to purchase such shares will be transferable and will be traded in on the Toronto Stock Exchange until shortly before they expire. There is understood to be no objection to a United States shareholder selling his rights. A shareholder of the Company has agreed to exercise rights to purchase sufficient shares of the Company so that the Company will be assured of receiving at least \$155,000.00.</p> <p>Of the 200,000 shares set aside or reserved in 1965 for the purpose of granting stock options to fulltime employees of the Company 153,000 are available for this purpose and no options with respect thereto are now outstanding. The time for the exercise of options which may be granted to employees has been extended to July 2, 1970.</p>

<p>7. Names and addresses of persons having any interest, direct or indirect in underwritten or optioned shares or other securities or assignments, present or proposed, and, if any assignment is contemplated, particulars thereof.</p>	<p>Not applicable.</p>
<p>8. Any payments in cash or securities of the company made or to be made to a promoter or finder in connection with a proposed underwriting or property acquisition.</p>	<p>None</p>
<p>9. Brief statement of company's future development plans, including proposed expenditure of proceeds of sale of treasury shares, if any.</p>	<p>The Company proposes to explore the uranium property which it holds under option in Drury Township (Agnew Lake uranium area) in Ontario, its gold, base metal and iron properties in the Wawa Area (Michipicoten area), Ontario, and its properties in the Timmins Area, Ontario, as in large part recommended in a report dated May 13, 1968 by L. G. Phelan, M.A.Sc., P.Eng., Consulting Geologist. The proceeds derived from the issue of rights of the Company will be used for the aforementioned purposes, to maintain its mining properties in good standing, to acquire the Drury Township (Agnew Lake uranium area) property and option from Bert W. Lang for \$80,000.00 as referred to in item 11 and for general administrative expenses.</p>
<p>10. Brief statement of company's chief development work during past year.</p>	<p>Exploration and development work during the past year consisted of:</p> <ol style="list-style-type: none"> (1) Wawa Area (Michipicoten area) - ground geophysical surveys, soil sampling and diamond drilling (approximately \$62,384.82) (2) Timmins Area - ground geophysical survey and diamond drilling in McArthur Township (approximately \$6,719.80) (3) Sudbury Area (Agnew Lake uranium area) - limited-diamond drilling (approximately \$5,633.70 on the 20 mining claims held under option referred to in item 11) (4) New Brunswick - soil sampling and ground geophysical survey (approximately \$9,008.52)
<p>11. Names and addresses of vendors of any property or other assets intended to be purchased by the company showing the consideration to be paid.</p>	<p>Bert W. Lang, the President of the Company, has granted to the Company the right to acquire from him on or before July 2, 1968 71 mining claims, a patented block of 160 acres, and the assignment of an option which he holds to acquire 20 additional claims by reimbursing him the actual cost of acquiring these properties totalling \$80,000.00 which includes payment of \$33,000.00 to the vendors of the 20 claims. The option on the 20 claims may be exercised by the issuance on or before October 1, 1968 of 100,000 shares of the Company to the vendors of these claims. All of the mining claims and the patented block are located in the Township of Drury and the 71 mining claims are numbered as follows:</p> <p style="margin-left: 40px;">S-138813 to S-138824 inclusive S-138836 to S-138841 " S-138842 to S-138845 " S-139126 to S-139134 " S-139404 to S-139416 " S-139440 to S-139448 " S-140374 to S-140379 " S-149200 to S-149209 " S-149212 S-149213</p> <p>and the 20 mining claims are numbered as follows:</p> <p style="margin-left: 40px;">S-134888 to S-134891 inclusive S-135353 S-136371 S-136372 S-136377 S-136378 S-137385 S-137423 to S-137426 inclusive S-137622 S-137623 S-140891 to S-140894 inclusive</p> <p>Bert W. Lang acquired the option to purchase the aforementioned 20 mining claims towards the end of 1966 and granted to the Company the right to acquire the option from him in February 1967 and the Company caused the diamond drilling referred to in item 10 hereof to be done in the months of April and May 1967. Due to limited funds the option was not acquired by the Company at that time and an extension of time within which to acquire it was obtained.</p>

SCHEDULE "A"

1. Under the terms of an agreement dated February 15th, 1966, as amended by agreement dated May 9th, 1968, between Algoma Central Railway (A.C.R.) and B. W. Lang which was assigned on February 18th by B. W. Lang to Acme, Acme holds a working option on 10 Townships (being Townships No. 29 to 33 inclusive in Range 25 and 26, Sault Ste. Marie Mining Division in Ontario) with a net area of about 348 square miles after deducting areas of claims and leases held by others. These Townships will be withdrawn from staking until November 30th, 1969. Consideration for the option was \$12,500 paid to Algoma Central Railway. The area held under option shall be reduced on or before November 30th, 1969 by Acme giving notice as to the number of 40-acre units or claims which it wishes to hold under option until November 30th, 1970. In order to maintain the option in good standing, it will be necessary to expend on exploration \$35,000 by May 31st, 1967, an additional \$45,000 by May 31st, 1968, and a further amount by November 30th, 1970 of \$50,000 or a greater sum calculated by multiplying \$100 by the number of 40-acre units which Acme elects on or before November 30th, 1969 to hold under option.

Acme may incorporate a new company or companies from time to time, on or before November 30th, 1970 and after the expenditures totalling \$200,000 have been made, to acquire such of the 40-acre units or claims then held under option as Acme may decide. A.C.R. will issue for the 40-acre units acquired by each new company a Lease for 21 years renewable from time to time, for 21 years if the property is in commercial production but if commercial production is not commenced within 10 years the Lease will be transferred back to A.C.R.

Vendors shares issued by each new Company shall be for a number in accordance with Ontario Securities Commission regulations (10% free and 90% escrowed) of which 25% shall be issued to A.C.R., and 75% to Acme. A.C.R. has the right to subscribe from time to time up to a maximum of 25% of the financing of any new company. A.C.R. shall nominate one of the five directors of each company. Acme (and the new companies) agree to ship all freight on A.C.R. railroad and steamships providing rates and services which are competitive with others.

2. Under the terms of an agreement dated October 1st, 1966, as amended by agreement dated May 9th, 1968, between Algoma Central Railway (A.C.R.) and Bert W. Lang which has been assigned to the company, the company holds a working option on Townships 26 in Range 26, and 27 in Range 25 in the District of Algoma. These Townships will be withdrawn from staking until November 30th, 1969. Consideration paid for the option was \$3,500.00 and the area held under option is about 132 square miles. The area shall be reduced on or before November 30th, 1969 by notice as to the number of 40-acre units or claims to be held under option until November 30th, 1970.

In order to maintain the option in good standing it will be necessary to expend on exploration \$15,000 by September 30th, 1967, an additional \$20,000 by September 30th, 1968 and a further amount by November 30th, 1970 of \$40,000 or a greater sum calculated by multiplying \$100 by the number of 40-acre units, in excess of 400, which the company elects on or before November 30th, 1969 to hold under option.

For the purpose of determining whether minimum expenditures have been made from time to time it is intended to interpret this agreement and the former agreement as one by adding together the minimum expenditures required to keep the two options in good standing.

The company may incorporate a new company or companies, from time to time after the company has expended \$75,000 plus, on or before November 30th, 1970, and after the above mentioned expenditures have been made, to acquire such of the 40-acre units or claims then held under option as the Company may decide. A.C.R. will issue for the 40-acre units acquired by each new company a Lease for 21 years renewable, from time to time, for 21 years if the property is in commercial production but if commercial production is not commenced within 10 years the Lease will be transferred back to A.C.R.

Vendors shares issued by each new Company shall be for a number in accordance with Ontario Securities Commission regulations (10% free and 90% escrowed) of which 25% shall be issued to A.C.R. and 75% to the company. A.C.R. shall have the right to subscribe from time to time up to a maximum of 25% of the financing of any new company. A.C.R. shall nominate one of the five directors of each company. The company (and the new companies) agree to ship all freight on A.C.R. railroad and steamships providing rates and services are competitive with others.

FINANCIAL STATEMENTS

COPY

SIME AYERS & CO.

CHARTERED ACCOUNTANTS

AUDITORS' REPORT

To the Shareholders of
Acme Gas & Oil Co., Limited:

We have examined the consolidated balance sheet of Acme Gas & Oil Co., Limited, and its subsidiary, Borradaile Oils Limited as at April 30, 1968 and the consolidated statements of deficit, exploration and administrative expenditures and source and use of funds for the four months then ended. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion these financial statements present fairly on a consolidated basis, the financial position of the companies as at April 30, 1968 and the results of their operations and the source and use of funds for the four months then ended, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

[Signature]
Chartered Accountants.

Toronto, Canada,
May 14, 1968.

ACME GAS & OIL CO., LIMITED
(Incorporated under the laws of Ontario)

and its subsidiary

BORRADAILE OILS LIMITED

Consolidated Balance Sheet as at April 30, 1968

Assets

<u>Current:</u>		
Cash	\$ 2,465.54	
Accounts receivable	156.80	\$ 2,622.34
Lands - at cost, less proceeds of sales - being former railway lands and mineral and other rights		1.00
Interests in petroleum and natural gas leases, wells and royalties - at cost, less \$12,633 written down	5,462.26	
Well equipment, at cost less \$1,645 depreciation	1,294.54	6,756.80
Mining claims and working options, at cost		21,270.03
Deferred exploration and administrative expenditures, per statement attached		345,802.00
Exploration equipment, at cost less \$14,962 depreciation		4,640.54
		<u>\$381,092.71</u>

Liabilities

<u>Current:</u>	
Accounts payable	\$ 2,741.58

Shareholders' Equity

<u>Capital Stock:</u>		
Authorized - 7,000,000 shares, no par value		
Issued - 4,743,804 shares (note)	\$1,154,123.25	
Deficit, per statement attached	<u>775,772.12</u>	<u>378,351.13</u>
		<u>\$381,092.71</u>

Notes: Under an employee stock option plan, expiring July 2, 1970, there remain 153,000 shares that may be optioned at a price not more than 25% below the market at the date of granting the option

APPROVED ON BEHALF OF THE BOARD

[Signature]
Director

[Signature]

ACME GAS & OIL CO., LIMITED

and its subsidiary

BORRADAILE OILS LIMITED


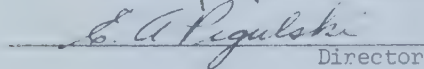
Consolidated Statement of Deficit
for the four months ended April 30, 1968

Balance, December 31, 1967	\$714,408.96
Mining claims abandoned	2,162.79
Exploration and administrative expenditures, written off	<u>59,200.37</u>
Balance, April 30, 1968	<u>\$775,772.12</u>

Consolidated Statement of Source and Use of Funds
for the four months ended April 30, 1968

Working capital, December 31, 1967	\$ 3,751.31
Use of Funds:	
Exploration and administrative expenditures, less revenue	\$ 5,849.55
Less depreciation included above, but not requiring an outlay of funds	<u>2,105.00</u>
	3,744.55
Cost of mining claims	<u>126.00</u>
Decrease in working capital	<u>3,870.55</u>
Deficiency in working capital, April 30, 1968	\$ 119.24

APPROVED ON BEHALF OF THE BOARD


Director

Director

ACME GAS & OIL CO., LIMITED

and its subsidiary

BORRADAILE OILS LIMITED

Consolidated Statement of Exploration and
Administrative Expenditures
for the four months ended April 30, 1968

Field Expenditures:

Ontario:	
Wawa area	\$ 1,409.19
Timmins area	101.00
Other	453.22
Depreciation of exploration equipment	<u>1,960.00</u> \$ 3,923.41

Administrative:

Audit, legal, head office accommodation and other expenses	<u>2,320.27</u>
	6,243.68

Deduct:

Net income from oil and gas production and royalties, less \$145 depreciation	<u>394.13</u>
	5,849.55

Deferred exploration and administrative expenditures December 31, 1967	399,152.82
Deduct expenditures transferred to deficit	<u>59,200.37</u>
Deferred exploration and administrative expenditures, April 30, 1968	<u>\$345,802.00</u>

ACME GAS & OIL CO. LIMITED

SCHEDULE OF MINING PROPERTIES

The Company holds mining claims in the following areas:

	<u>Cost</u>
Timmins Area - 112 claims	\$ 3,088.66
Wawa Area (Crown land) - 49 claims	2,181.37
Wawa Area (2 working options) - 12 townships	<u>16,000.00</u>
	<u>\$21,270.03</u>

ENGINEER'S REPORT

NOTE: The following is a Summary Report on the Companies Properties prepared L.G. Phelan, M.A.Sc., P.Eng., dated May 13, 1968. A complete copy of the Engineer's Report is on file with the Toronto Stock Exchange.

L. G. PHELAN, M.A.Sc., P. ENG.
CONSULTING GEOLOGIST

May 13, 1968

Acme Gas & Oil Co. Ltd.
1702 - 80 Richmond St. W.
Toronto

Dear Sirs:

The following is a summary of my report on the Holdings of Acme Gas & Oil Co. Ltd:

Acme Gas & Oil Co. Ltd. holds a uranium prospect in the Agnew Lake area, an iron and non-ferrous metal prospect in Michipicoten area, and nickel-copper prospects in Timmins area, all in Ontario.

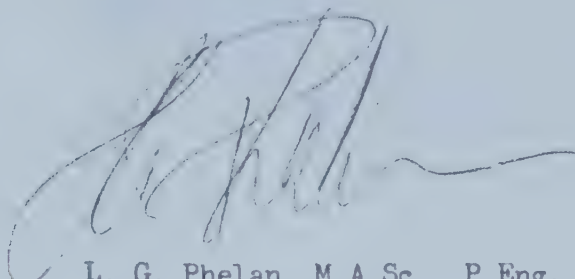
The Agnew Lake area property consists of an option to purchase some 3,800 acres situated 2 to 6 miles east of the Agnew Lake Uranium Mine, now being readied for production. The Matinenda Formation, host rock for Agnew Lake Uranium and for all of the known mineable uranium deposits of the Blind River type, extends across the Acme ground for a strike length of some $3\frac{1}{2}$ miles. A very limited amount of work has disclosed a series of uranium occurrences at intervals across the property, and several assays of ore or near-ore grade have been reported. One trench has returned an assay of 1.56 pounds U_3O_8 across a 20 foot width. The property is considered a more than normally promising prospect. Detailed mapping of the rather complex geology is recommended followed by a scintillometer survey, trenching, sampling and drilling as indicated. Initial budget is estimated at \$50,000.

At Michipicoten, through an agreement with the Algoma Central Railway, Acme holds exclusive exploration rights to twelve townships, and holds 49 mining claims outside these townships. Under terms of the Algoma Central Railway agreements Acme has eighteen months to two years in which to select those portions of the townships which will be retained. These townships and claims cover a large part of a "greenstone" belt in which there are extensive iron formations and several known gold and base metal deposits and occurrences. Acme has carried out airborne geophysical surveys followed by ground geological, geophysical and geochemical surveys and trenching and drilling. Exploration expenditures to date total approximately \$250,000. Work to the present has indicated two large and several smaller iron formation bodies and a siderite body which require more detailed and advanced investigation to establish their economic potential. Approximately half of the other airborne anomalies have been examined to date. There remain several features of definite interest to be investigated including

the above iron formations, a zone of high copper-nickel soil samples, a number of conductors in an area of several copper occurrences, and a massive pyrite zone from which a high gold assay has been obtained. Exploration in Michipicoten area should be resumed when funds are available.

Of the various Timmins area holdings forty claims in Eldorado township, 42 claims in McArthur Township and 30 claims in Price Township have been retained, covering groups of magnetic and conductive anomalies.

Respectfully submitted,



L. G. Phelan, M.A.Sc., P.Eng.
Consulting Geologist

LGP:mrs

CERTIFICATE OF QUALIFICATION

I, Leo Gerard Phelan, do hereby certify that:

1. I am a practising consulting geologist with offices at 80 Richmond St. West, Toronto 1, Ontario.
2. I am a graduate of the University of Toronto and have been granted the degrees of Bachelor of Applied Science in 1947 and Master of Applied Science in geology in 1949.
3. I am a member of the Associations of Professional Engineers of Ontario, Manitoba and British Columbia, a member of the Canadian Institute of Mining and Metallurgy and a fellow of the Geological Association of Canada.
4. I have no interest direct or indirect in the properties or securities of Acme Gas and Oil Co. Ltd. nor do I expect to receive any such interest whatsoever.
5. I have not made specific examinations of the various properties for Acme Gas and Oil Co. Ltd. Information in this report is based on Company records, on federal and provincial government publications and on reports by J. D. Crone, Consulting Geophysicist and L. J. Cunningham, P.Eng. In the case of the Agnew Lake area property I have a close familiarity with the geology, having worked on the Agnew Lake Mines uranium deposits and examined some of the showings now held by Acme.



L. G. Phelan.

12. Names and addresses of persons who have received or will receive a greater than 5% interest in the shares or other consideration to be received by the vendor. If the vendor is a limited company, the names and addresses of persons having a greater than 5% interest in the vendor company.	Stanley Grimsell, R.R.#2, Worthington, Ontario, Morris Marconi, 8 Damaris Drive, Sudbury, Ontario. William Alanen, Worthington, Ontario. Donald E. Rastall, 1600 Crestmoor Dr., Sudbury, Ontario. The said sum of \$33,000.00 mentioned in item 11 hereof in connection with the option to purchase the 20 mining claims therein referred to and if the said option is fully exercised they will be entitled to receive the said 100,000 shares
13. Number of shares held in escrow or in pool and a brief statement of the terms of escrow or the pooling agreement.	None.
14. Names and addresses of owners of more than a 5% interest in escrowed shares and their shareholdings (If shares are registered in the names of nominees or in street names, give names of beneficial owners, if possible.)	Not applicable.
15. Names, addresses and shareholdings of five largest registered shareholders and if shareholdings are pooled or escrowed, so stating. If shares are registered in names of nominees or in street names, give names of beneficial owners, if possible, and if names are not those of beneficial owners, so state.	Bay & Co., c/o Canadian Imperial Bank of Commerce, King & Bay Streets, Toronto 1, Ontario. (of these shares Bert W. Lang is the beneficial owner of 880,426 shares and Margaret C. Lang is the beneficial owner of 58,625 shares) 1,059,149 shares Doherty Roadhouse & McCuaig Bros., 335 Bay Street, Toronto 1, Ontario. (of these shares Edward A. Pigulski is the beneficial owner of 2,000 shares) 284,380 shares Bert W. Lang, 2577 Lakeshore Blvd. West, Toronto 14, Ontario. (beneficial owner) 214,167 shares Wills, Bickle & Co. Limited, Toronto-Dominion Centre, Toronto 1, Ontario. 198,300 shares C. H. Burgess & Co. Limited, 44 King Street West, Toronto 1, Ontario. (of these shares Bert W. Lang is the beneficial owner of 143,100 shares) 153,500 shares
16. Names, and addresses of persons whose shareholdings are large enough to materially affect control of the company.	Bert W. Lang, 2577 Lakeshore Blvd. West, Toronto 14, Ontario.
17. If assets include investments in the shares or other securities of other companies, give an itemized statement thereof showing cost or book value and present market value.	None.
18. Brief statement of any lawsuits pending or in process against company or its properties.	None.
19. The dates of and parties to and the general nature of every material contract entered into by the company which is still in effect and is not disclosed in the foregoing.	See Schedule "A" on page 3.
20. Statement of any other material facts and if none, so state. Also state whether any shares of the company are in the course of primary distribution to the public.	As far as the undersigned are aware no shares are in the course of primary distribution to the public. The major shareholder in item 6 will not make primary distribution of the shares purchased by him without complying with the provisions of the Securities Act and the rules and regulations of the Toronto Stock Exchange. There are no other material facts.

CERTIFICATE OF THE COMPANY

DATED May 14, 1968.

The foregoing, together with the financial information and other reports where required, constitutes full, true and plain disclosure of all material facts in respect of the matters referred to in Item 1 above and in respect of the company's affairs and there is no further material information applicable. (To be signed by two principal signing officers who are directors and the corporate seal to be affixed.)

ACME GAS & OIL CO. LIMITED

"B.W. Lang"

"E.A. Pigulski"

CORPORATE
SEAL

CERTIFICATE OF UNDERWRITER OR OPTIONEE

To the best of my knowledge, information and belief, the foregoing, together with the financial information and the reports where required, constitutes full, true and plain disclosure of all material facts in respect of the matters referred to in Item 1 above in respect of the company's affairs. Concerning matters which are not within my knowledge, I have relied upon the accuracy and adequacy of the information supplied to me by the company. (To be signed by underwriter or optionee registered with the Ontario Securities Commission or a corresponding body.)

THE TORONTO STOCK EXCHANGE

4/9/69

FILING STATEMENT NO. 1707.
FILED, SEPTEMBER 15th, 1969.

ACME GAS & OIL CO. LIMITED

Full corporate name of Company

Ontario Letters Patent dated July 12, 1929

Particulars of incorporation (e.g., Incorporated under Part IV of the Corporations Act, 1953

(Ontario) by Letters Patent dated May 1st, 1957). Reference is made to previous

FILING STATEMENT

Filing Statement No. 1614, and
Amending Filing Statement No. 351

(To be filed with respect to any material change in a company's affairs, including among other things,
an underwriting and option agreement, an issue of shares for property and a proposed re-organization.)

1. Brief statement of the material change in the affairs of the company in respect of which this statement is filed.	An Agreement made as of the 15th day of August 1969 between the Company and Occidental Minerals Corporation of Canada, being a joint venture agreement with Occidental Minerals Corporation of Canada for the exploration of the Company's mining claims in Drury T'ship, on the terms and conditions set out in the said Agreement and referred to in Schedule 'A' on pages 3 and 4.
2. Head office address and any other office address.	Suite 1705, 80 Richmond Street West, Toronto, Ontario.
3. Names, addresses and chief occupations for the past five years of present or proposed officers and directors.	Bert W. Lang, President & Director, Mining Executive, 2577 Lakeshore Blvd. W., Toronto, Ontario. D.H.Stodart, Director, Chartered Accountant, 49 Plymbridge Road, Willowdale, Ontario. R.A.Cranston, Q.C., Secretary & Director, Barrister, 220 Cortleigh Blvd., Toronto, Ontario. E.A.Pigulski, Vice-President, Treasurer, Assistant Secretary & Director, Accountant, 36 Saybrook Avenue, Toronto, Ontario. R.W.Pingle, Director, Registered Representative, 888 Argyle Road, Windsor, Ontario. Edith N. Doran, Assistant Treasurer, Secretary, 2 Triburnham Place, Etobicoke, Ontario.
4. Share capitalization showing authorized and issued and outstanding capital.	Authorized: 7,000,000 no par value Issued: 5,715,134
5. Particulars in respect of any bonds, debentures, notes, mortgages, charges, liens or hypothecations outstanding.	none
6. Details of any treasury shares or other securities now the subject of any underwriting, sale or option agreement or of any proposed underwriting, sale or option agreement.	Of the 200,000 shares set aside or reserved in 1965 for the purpose of granting non-assignable stock options to full-time employees of the Company, 136,500 shares are available for this purpose, and of the said shares options on 27,000 at 25¢ per share are now outstanding. The time for the exercise of options which may be granted to employees expires July 2nd 1970.

7. Names and addresses of persons having any interest, direct or indirect in underwritten or optioned shares or other securities or assignments, present or proposed, and, if any assignment is contemplated, particulars thereof.	<p>There are options outstanding to employees namely:</p> <p>Edward A. Pigulski 18,000 shs. @ 25¢ per share Edith N. Doran 8,000 shs. @ 25¢ per share <u>27,000</u> shares</p>
8. Any payments in cash or securities of the company made or to be made to a promoter or finder in connection with a proposed underwriting or property acquisition.	n/a
9. Brief statement of company's future development plans, including proposed expenditure of proceeds of sale of treasury shares, if any.	Subject to securing the necessary funds, the Company proposes to explore its properties in the Timmins area, Ontario and the gold, base metal and iron properties located in the Wawa and Michipicoten area, Ontario held under the terms of the Agreements summarized in Schedule "B" on page 5.
10. Brief statement of company's chief development work during past year.	<p>(a) Wawa area - maintaining option in good standing</p> <p>(b) Timmins area - ground geophysical and maintaining option in good standing (\$2,633)</p> <p>(c) Sudbury area (Agnew Lake) - radiometric survey, trenching and diamond drilling (\$105,321)</p>
11. Names and addresses of vendors of any property or other assets intended to be purchased by the company showing the consideration to be paid.	n/a
12. Names and addresses of persons who have received or will receive a greater than 5% interest in the shares or other consideration to be received by the vendor. If the vendor is a limited company, the names and addresses of persons having a greater than 5% interest in the vendor company.	n/a
13. Number of shares held in escrow or in pool and a brief statement of the terms of escrow or the pooling agreement.	90,000 held in escrow with The Premier Trust Company, 19 Richmond Street West, Toronto, Ontario, to be released only with the consent of the Toronto Stock Exchange.
14. Names and addresses of owners of more than a 5% interest in escrowed shares and their shareholdings (If shares are registered in the names of nominees or in street names, give names of beneficial owners, if possible.)	<p>Stanley Grimsell, R.R.#2, Worthington, Ontario. 22,500</p> <p>Morris Marconi, 8 Damaris Drive, Sudbury, Ont. 22,500</p> <p>William Alanen, Worthington, Ontario. 22,500</p> <p>Donald E. Rastall, 1600 Crestmoor Drive, Sudbury, Ontario. 22,500</p>
15. Names, addresses and shareholdings of five largest registered shareholders and if shareholdings are pooled or escrowed, so stating. If shares are registered in names of nominees or in street names, give names of beneficial owners, if possible, and if names are not those of beneficial owners, so state.	<p>Bay & Co., c/o Canadian Imperial Bank of Commerce, 304 Bay St., Toronto, Ontario. 1374,299shrs (of these shares Bert W. Lang is the beneficial owner of 1,097,026 and Margaret C. Lang is the beneficial owner of 122,625 shares)</p> <p>Doherty Roadhouse & McCuaig, Simpson Tower, Bay Street, Toronto, Ontario, (of these shares, Edward A. Pigulski is the beneficial owner of 2,000 shares) 469,526 shares</p> <p>Bert W. Lang, 2577 Lakeshore Blvd., West, Toronto, Ontario, (beneficial owner) 214,167 shares</p> <p>Wills, Bickle & Co. Limited, Toronto-Dominion Centre, Toronto, Ontario. 204,700 shares</p> <p>Draper Dobie & Co. Limited, 25 Adelaide St. West, Toronto, Ontario. 233,290 shares</p> <p>C. H. Burgess & Co. Limited, 44 King St. West, Toronto, Ontario, (of these shares Bert W. Lang is the beneficial owner of 171,720 shares) 173,620 shares</p>

The following is a brief description of the Agreement made as of the 15th day of August 1969 between the Company and Occidental Minerals Corporation of Canada

Occidental has acquired the right to carry on the exploration and development of the Acme property in Drury Township and to bring the property into production.

Occidental has agreed to pay to Acme \$10,000 after the agreement has been ratified and confirmed by the shareholders, and in order to maintain the agreement in good standing further payments of \$10,000 each must be made on or before September 30th, 1970; September 30th, 1971; September 30th, 1972 and September 30th, 1973.

Occidental has agreed to advance, without interest, the funds required to pay all expenses incurred in carrying on the work contemplated by the agreement, and such expenditures shall be for the account of Occidental and Acme in proportion to the percentage of joint net income which each of the parties may receive or be entitled to receive.

Occidental has agreed to expend not less than \$75,000 on or before June 30th, 1970. In order to maintain the agreement in good standing it will be necessary to make expenditures which on an accumulated basis, including payments made to Acme, shall total not less than the amounts shown below as at the dates shown opposite such amounts:

\$150,000 on or before December 31st, 1970;
\$240,000 on or before September 30th, 1971;
\$360,000 on or before September 30th, 1972;
\$480,000 on or before September 30th, 1973;
\$600,000 on or before September 30th, 1974.

If and when Occidental delivers an undertaking to Acme stating that it has expended or incurred and/or agreed to expend or incur a total of \$600,000 and that it will proceed to install a mining plant, a milling plant and necessary equipment, or will enter into a milling agreement covering the milling of ore in a mill owned and operated by another company and will commence suitable operations with an end towards bringing the claims into profitable production, an 80% interest in the properties shall be transferred to and recorded in Occidental's name with the remaining 20% remaining in Acme's name.

If Occidental expends amounts which on an accumulated basis total \$300,000 or more and the agreement terminates, Occidental, for a period of five years from the date of such termination, shall have the right to elect to participate in any new venture undertaken in an agreement between Acme and another party or parties if the intent of such agreement is to bring the Acme property into production, to the extent of 4½% if \$300,000 was expended plus a further 0.15% for each \$10,000 expended in excess of \$300,000, but in no case shall the right to participate exceed 15%. If Acme sells all or part of its property within five years from the termination of this agreement, Acme agrees to pay to Occidental a percentage, calculated as set out above, of the net consideration received by Acme after deducting \$300,000 and the total of legal and other expenses incurred in connection with such a sale.

If production from the property can only be economically achieved by combining part or all of the property with the properties of others, or by entering into a milling agreement covering the milling of ore mined from the Acme property in a mill owned and operated by another company, then Occidental may take the necessary steps to facilitate such production.

While the agreement is in effect Occidental shall perform and file the required assessment work and pay all costs and taxes necessary to maintain the Acme properties in good standing.

The property shall be deemed to have been brought into profitable production either when in any one month joint net income equals \$50,000 or more, or when the joint net income for two or more consecutive months totals \$100,000 or more.

For the purposes of the agreement, Joint Net Income shall be calculated by deducting from production revenue the total of the operating costs, but no deduction shall be made for depreciation of fixed assets or write-off of pre-production or deferred development expenditures.

Effective after the property has been brought into profitable production and until such time as the accumulated total of Joint Net Income retained by Occidental, less the amount of taxes paid and/or payable or calculated to be applicable thereto by Occidental under the provisions of Canada's Income Tax Act or the United States Internal Revenue Code - whichever is the larger amount - is an amount equal to the advances made by Occidental, Acme will receive 5% and Occidental shall retain 95% of the Joint Net Income and thereafter Acme will receive 20% and Occidental will receive 80% of the Joint Net Income.

If the exploration, development or mining of the claims or bringing the property into production is delayed or suspended by reason of low prices for products or other economic conditions which make it uneconomic to bring the property into production or to carry on the work contemplated under the agreement, the time for making any expenditure or doing any work, act or thing to be done shall be extended by the length of such period or periods of delay or suspension.

Operations may be suspended during periods when the products produced from the property cannot be produced and sold at a profit satisfactory to Occidental by reason of low prices or otherwise.

The agreement shall remain in force until termination in the manner following:

(a) If Occidental fails to expend or incur amounts which on an accumulated basis equal the amounts set out above on or before the respective dates shown;

(b) If Occidental fails to bring the property into profitable production on or before June 30th, 1976;

(c) If Occidental delivers to Acme a written notice stating that it elects to terminate the agreement;

(d) If the properties are brought into production and are not continued in profitable production for certain periods and under certain conditions, as specified in the agreement;

(e) If production is stopped on a permanent basis.

Upon termination of the agreement,

(a) The title to the property shall revert to Acme;

(b) Possession of and title to all buildings, mining and milling plant, machinery and equipment shall be surrendered to Acme providing the amount representing the cost of such items has been retained by Occidental out of Joint Net Income, or Occidental shall offer to sell the plant and equipment to Acme for the amount representing the total cost of such items less the amount which has been retained by Occidental out of Joint Net Income;

(c) The ownership of and possession of all sundry plant and equipment, stores, supplies and other items the cost of which has been deducted as expenditures in determining Joint Net Income shall be surrendered to Acme.

If within ten years from the date of the agreement, providing that this agreement is then in effect, Occidental acquires any mining properties within one mile from the boundaries of the Acme property, then such property shall be transferred into its name, or if Acme so acquires any mining properties within a distance of one mile from the boundaries of the present Acme property, Acme shall offer such properties to Occidental at cost, and any such properties purchased or accepted by Occidental shall be subject to the terms of this agreement.

The agreement will not become effective until it has been ratified and confirmed by the shareholders of Acme at a Special General Meeting of Shareholders called for that purpose, and until it has been accepted for filing by the Toronto Stock Exchange and/or the Ontario Securities Commission as may be required by such Exchange or Commission.

OPTION ON 12 TOWNSHIPS IN ALGOMA AREA NEAR WAWA, ONTARIO
SUMMARY OF MAIN PROVISIONS IN TWO OPTION AGREEMENTS:

Under the terms of an agreement No. 1 dated February 15th, 1966 between Algoma Central Railway (A.C.R.) and B. W. Lang (amended by letter dated May 9th, 1968, and assigned to Acme) Acme holds a 3-year plus working option on 10 Townships (being Townships No. 29 to 33 inclusive in Ranges 25 and 26, Sault Ste. Marie Mining Division in Ontario) with a net area of about 348 square miles after deducting areas of claims and leases held by others. These Townships have been withdrawn from staking until November 30th, 1969. Consideration for the option was \$12,500 paid to Algoma Central Railway. The area held under option shall be reduced on or before November 30th, 1969 by Acme giving notice as to the number of 40-acre units or claims which it wishes to hold under option until November 30th, 1970.

In order to maintain the option in good standing, it is necessary to expend on exploration by May 31st, 1968, \$150,000 and a further amount by May 31st, 1970 of \$50,000 or a greater sum calculated by multiplying \$100 by the number of 40-acre units which Acme elects on or before November 30th, 1969 to hold under option.

Under the terms of an agreement No. 2 dated October 1st, 1966 between Algoma Central Railway (A.C.R.) and B. W. Lang, (amended by letter dated May 9th, 1968, and assigned to Acme), Acme holds a 3-year plus working option on 2 Townships (being Townships 26 in Range 26 and No. 27 in Range 25, in the District of Algoma, Ontario) with a net area of about 67 square miles after deducting areas of claims and leases held by others. These Townships have been withdrawn from staking until November 30th, 1969. Consideration paid for the option was \$3,500 paid to Algoma Central Railway. The area held under option shall be reduced on or before November 30th, 1969 by giving notice as to the number of 40-acre units or claims which Acme wishes to hold under option until November 30th, 1970.

In order to maintain the option in good standing, it is necessary to expend on exploration \$35,000 by September 30th, 1968 and a further amount by November 30th, 1970 of \$40,000 or a greater sum calculated by multiplying \$100 by the number of 40-acre units which Acme elects on or before November 30th, 1969 to hold under option.

For the purpose of determining whether minimum expenditures have been made from time to time it is intended to interpret the two agreements as one by adding together the minimum expenditures required to keep the two options in good standing.

Acme may incorporate a new company or companies, from time to time after Acme has expended \$275,000 on the exploration of the 12 Townships, on or before November 30th, 1970 to acquire such of the 40-acre units or claims then held under option as Acme may decide. A.C.R. will issue for the 40-acre units acquired by each new company a Lease for 21 years renewable, from time to time, for 21 years if the property is in commercial production but if commercial production is not commenced within 10 years the Lease will be transferred back to A.C.R.

Vendors shares issued by each new Company shall be for a number in accordance with Ontario Securities Commission regulations (10% free and 90% escrowed) of which 25% shall be issued to A.C.R. and 75% to Acme. A.C.R. shall have the right to subscribe from time to time up to a maximum of 25% of the financing of any new company. A.C.R. shall nominate one of the five directors of each company. Acme (and the new companies) agree to ship all freight on A.C.R. railroad and steamships providing rates and services are competitive with others.

Acme has expended on exploration and development \$255,652 or considerably in excess of the minimum of \$185,000 required to be expended under the two agreements by 1968.

Total expenditures under the terms of the agreements amount to \$271,652 up to March 31st, 1969, including \$16,000 paid to A.C.R.

SCHEDULE "C"

An Agreement dated the 30th April 1969 between the Company and McIntyre Porcupine Mines Limited providing for the granting to McIntyre, in consideration of the payment of \$1,000.00 by McIntyre, until the 30th day of April 1972, of an option to incorporate a new company to acquire mining claims Nos. P88213, P88214, P88217, P88218 and P96726 to P96729 inclusive, in the Township of Tully in the Porcupine Mining Division, the said new company to have an authorized capital of 1,000.00 common shares without par value and 2,000,000 3% non-cumulative redeemable non-voting preference shares with a par value of \$1.00 each, and if the option is exercised Acme to receive 200,000 common shares and McIntyre 800,000 common shares and the new company to issue to McIntyre within a period of four years from the date of incorporation of the new company a number of preference shares equal to the number of dollars expended by McIntyre on the mining claims.

FINANCIAL STATEMENTS

ACME GAS & OIL CO., LIMITED
(Incorporated under the laws of Ontario)
and its subsidiary
BORRADAILE OILS LIMITED

CONSOLIDATED BALANCE SHEET AS AT JUNE 30, 1969
(with comparative figures for 1968)

A S S E T S

	<u>1969</u>	<u>1968</u>
<u>CURRENT</u>		
Cash	\$ 7,561	\$ 128,417
Accounts Receivable	531	1,274
	<u>8,092</u>	<u>129,691</u>
Lands - at cost, less proceeds of sales - being former railway lands and mineral and other rights	1	1
Interests in petroleum and natural gas leases, wells and royalties at cost less \$12,633 written down	5,462	5,462
Well equipment, at cost less \$2,082 depreciation	858	1,224
	<u>6,320</u>	<u>6,686</u>
Mining Claims and working options, at cost	124,826	101,270
Deferred exploration and administrative expenditures = per statement	503,656	374,358
Exploration equipment, at cost less \$20,095 depreciation	1,455	3,661
	<u>\$ 644,350</u>	<u>\$ 615,667</u>

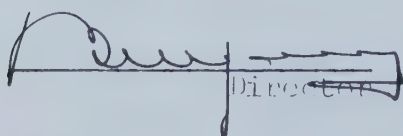
L I A B I L I T I E S

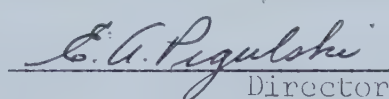
	<u>1969</u>	<u>1968</u>
<u>CURRENT:</u>		
Accounts Payable	\$ 24,697	\$ 13,289
Owing to Director	875	10,219
	<u>25,572</u>	<u>23,508</u>

SHAREHOLDERS' EQUITY

<u>CAPITAL STOCK:</u>		
Authorized - 7,000,000 shares, no par value		
Issued - 5,715,134 shares	1,396,956	1,367,831
Deficit - per Statement	<u>778,178</u>	<u>775,672</u>
	<u>\$ 644,350</u>	<u>\$ 615,667</u>

APPROVED:


Director


Director

ACME GAS & OIL CO., LIMITED
and its subsidiary
BORRADAILE OILS LIMITED

CONSOLIDATED STATEMENT OF EXPLORATION AND
ADMINISTRATIVE EXPENDITURES
FOR THE SIX MONTHS ENDED JUNE 30, 1969
(with comparative figures for 1968)

	<u>1969</u>	<u>1968</u>
Exploration Expenditures		
Ontario		
Sudbury Area	\$ 53,443	\$ 13,387
Timmins Area	1,784	151
Wawa	362	1,974
General Exploration	247	407
Depreciation of exploration equipment	1,350	2,940
	<u>\$ 57,186</u>	<u>\$ 18,859</u>
Administrative		
Head Office Salaries	6,121	
Head Office Accommodation	300	1,200
Transfer agents fees, and expenses, stock exchange fees and shareholders' reports and meeting	2,084	8,183
Legal fees and expenses	301	2,679
Telephone, audit and other expenses	1,931	3,513
	<u>10,737</u>	<u>15,575</u>
Taxes on Railway Property	648	443
	<u>11,385</u>	<u>16,018</u>
Deduct		
Net income from oil and gas production and royalties less (\$150 ; \$216) depreciation	501	571
Interest earned	337	
	<u>\$ 10,547</u>	<u>\$ 15,447</u>
Net exploration and administrative expenditures for period	67,733	34,306
Deferred exploration and administrative expenditures at beginning of period	435,923	399,153
Deduct: Expenditures written off to deficit	<u> </u>	<u>59,101</u>
Deferred exploration and administrative expenditures at end of period	<u>\$ 503,656</u>	<u>\$ 374,358</u>

ACME GAS & OIL CO., LIMITED
and its subsidiary
BORRADAILE OILS LIMITED

CONSOLIDATED STATEMENT OF DEFICIT
FOR THE SIX MONTHS ENDED JUNE 30, 1969
(with comparative figures for 1968)

	<u>1969</u>	<u>1968</u>
Balance, beginning of period	\$ 778,140	\$ 714,409
Mining claims abandoned	38	4,048
Exploration and administrative expenditures written off	<u> </u>	<u>59,683</u>
Balance, end of period	<u>\$ 778,178</u>	<u>\$ 778,140</u>

CONSOLIDATED STATEMENT OF SOURCE AND USE OF FUNDS
FOR THE SIX MONTHS ENDED JUNE 30, 1969
(with comparative figures for 1968)

	<u>1969</u>	<u>1968</u>
<u>Source of Funds</u>		
Issue of Capital Stock	\$ <u>4,125</u>	\$ <u>213,708</u>
<u>Use of Funds</u>		
Net exploration and administrative expenditures less revenue	\$ 67,733	\$ 34,306
Less depreciation of equipment included above but not requiring any outlay of funds	<u>1,500</u>	<u>3,156</u>
	66,233	31,150
Cost of Claims - written off to deficit		126
- acquired	<u>1</u>	<u>80,000</u>
	\$ <u>66,234</u>	\$ <u>111,276</u>
Increase (Decrease) in Working Capital	\$ (62,109)	\$ 102,432
Working Capital at beginning of period	<u>44,629</u>	<u>3,751</u>
Working Capital at end of period	<u>\$ (17,480)</u>	<u>\$ 106,183</u>

The Toronto Stock Exchange,
234 Bay Street,
Toronto 1, Ontario.

Dear Sirs:

There have been no material changes in the financial affairs of this Company since the financial statements dated as at June 30th, 1969, except in the ordinary course of business.

DATED this 2nd day of September, 1969.

ACME GAS & OIL CO., LIMITED

Per- [Signature] Director

Per- B. A. Pigulski Director

16. Names, and addresses of persons whose shareholdings are large enough to materially affect control of the company.	Bert W. Lang, 2577 Lakeshore Blvd. West, Toronto, Ontario.
17. If assets include investments in the shares or other securities of other companies, give an itemized statement thereof showing cost or book value and present market value.	none
18. Brief statement of any lawsuits pending or in process against company or its properties.	None
19. The dates of and parties to and the general nature of every material contract entered into by the company which is still in effect and is not disclosed in the foregoing.	See Schedule 'B' on page 5. See Schedule 'C' on page 6.
20. Statement of any other material facts and if none, so state. Also state whether any shares of the company are in the course of primary distribution to the public.	As far as the undersigned are aware, no shares are in the course of primary distribution to the public. There are no other material facts.

CERTIFICATE OF THE COMPANY

DATED September 2, 1969.

The foregoing, together with the financial information and other reports where required, constitutes full, true and plain disclosure of all material facts in respect of the matters referred to in Item 1 above and in respect of the company's affairs and there is no further material information applicable. (To be signed by two principal signing officers who are directors and the corporate seal to be affixed.)

"B.W. Lang"

"R.A. Cranston"

CERTIFICATE OF UNDERWRITER OR OPTIONEE

CORPORATE
SEAL

To the best of my knowledge, information and belief, the foregoing, together with the financial information and the reports where required, constitutes full, true and plain disclosure of all material facts in respect of the matters referred to in Item 1 above in respect of the company's affairs. Concerning matters which are not within my knowledge, I have relied upon the accuracy and adequacy of the information supplied to me by the company. (To be signed by underwriter or optionee registered with the Ontario Securities Commission or a corresponding body.)

TORONTO STOCK EXCHANGE

19/9/68

AMENDING FILING STATEMENT NO. 351.
FILED, SEPTEMBER 24th, 1968.

ACME GAS & OIL CO. LIMITED

Full corporate name of Company

AMENDING FILING STATEMENT

(To be filed with respect to any change in a Filing Statement filed within a period of six months)

To be read in conjunction with Filing Statement No. 1614 dated May 29, 1968.

Brief statement of the material change in the affairs of the company in respect of which this amending filing statement is filed.	The exercise of an option to purchase the 20 mining claims hereafter hereafter referred to by the allotment and issuance of 100,000 shares of the capital stock of the Company.
4. Share capitalization showing authorized and issued and outstanding capital.	Authorized: 7,000,000 No par value Issued: 5,598,634
6. Details of any treasury shares or other securities now the subject of any underwriting, sale or option agreement or of any proposed underwriting, sale or option agreement.	Pursuant to the offering to shareholders as of record date June 6, 1968 854,830 shares were subscribed and paid for.
11. Names and addresses of vendors of any property or other assets intended to be purchased by the company showing the consideration to be paid.	<p>The Company acquired from Bert W. Lang on or before July 2, 1968 the 71 mining claims, the patented block of 160 acres and the assignment of the option to acquire 20 additional claims by reimbursing him the actual cost of acquiring the properties totalling \$80,000.00 which included payment of \$30,000.00 to the vendors of the 20 claims. The Company now intends to exercise its option to purchase the 20 mining claims in the Township of Drury numbered as follows:</p> <p>S-134888 to S-134891 inclusive S-135353 S-136371 S-136372 S-136377 S-136378 S-137385 S-137423 to S-137426 inclusive S-137622 S-137623 S-140891 to S-140894 inclusive</p> <p>and to do so will be obliged to issue 100,000 shares of its capital stock, as to 25,000 shares thereof to each of Stanley Grimsell, R.R.#2, Worthington, Ontario; Morris Marconi, 8 Damaris Drive, Sudbury, Ontario; William Alanen, Worthington, Ontario; and Donald E. Rastall, 1600 Crestmoor Drive, Sudbury, Ontario. Of the said shares 90% thereof will be deposited in escrow with the Company's Transfer Agents to be released only with the consent of the Toronto Stock Exchange.</p>
20. Statement of any other material facts and if none, so state. Also state whether any shares of the company are in the course of primary distribution to the public.	There are no other material facts. As far as the undersigned are aware no shares are in the course of primary distribution to the public.

DATED September 16th, 1968.

CERTIFICATE OF THE COMPANY

The foregoing, together with the financial information and other reports where required, constitutes full, true and plain disclosure of all material facts in respect of the matters referred to in Item 1 above and in respect of the company's affairs and there is no further material information applicable. (To be signed by two principal signing officers who are directors and the corporate seal to be affixed.)

ACME GAS & OIL CO. LIMITED

"B.W. Lang"

"E.A. Pigulski"

Pres.

Asst. Sec'y.

CERTIFICATE OF UNDERWRITER OR OPTIONEE

To the best of my knowledge, information and belief, the foregoing, together with the financial information and the reports where required, constitutes full, true and plain disclosure of all material facts in respect of the matters referred to in Item 1 above and in respect of the company's affairs. Concerning matters which are not within my knowledge, I have relied upon the accuracy and adequacy of the information supplied to me by the company. (To be signed by underwriter or optionee registered with the Ontario Securities Commission or a corresponding body.)

FINANCIAL STATEMENT

ACME GAS & OIL CO., LIMITED
and its subsidiary
BORRADAILE OILS LIMITED

Consolidated Statement of Source & Use of Funds
for the four months ended August 31st, 1968

Source of Funds:

Issue of 854,830 shares of common stock

\$ 213,707.50

Use of Funds:

Exploration & Development Expenditures

Sudbury Area (Drury Township) \$ 27,773.98

Timmins Area (Eldorado & McArthur Twps.) 50.00

Wawa Area (A.C.R. Options) 660.78

Outside Exploration - Ontario 19.85

Depreciation on Exploration Equipment 980.00

\$ 29,484.61

Administrative Expenditures

Audit, Legal, Head Office Accommodation,
Share Certificates, Shareholders Reports,
Transfer Agent's Fees, Salaries and
other expenses

15,404.41

General Expenses

Taxes on railway properties 442.60

45,331.62

Deduct:

Net income from gas & oil production and
royalties, less

\$ 294.31

Interest earned

436.30

730.61

Net Exploration & Administrative Expenditures

44,601.01

Less: Depreciation included above, but not
requiring an outlay of funds

1,051.00

43,550.01

Cost of acquiring mining claims and option

80,000.00

Purchase of new equipment

2,091.55

125,641.56

Increase in working capital

88,065.94

Deficiency in working capital, April 30, 1968


119.24

Working Capital at August 31st, 1968

\$ 87,946.70

APPROVED:


Director


Director

ENGINEER'S REPORT

L. G. PHELAN, M.A.Sc., P. Eng.
CONSULTING GEOLOGIST

August 30, 1968

Acme Gas & Oil Co. Ltd.
1705 - 80 Richmond St. W.
Toronto

Dear Sirs:

Re: Agnew Lake Area Property

An option payment falls due in October of this year on certain of the claims comprising the uranium prospect held by Acme Gas & Oil Co. Ltd. You have requested my recommendation concerning this option:

PROPERTY

The entire property totals some 3,800 acres in northwestern Drury Township. The option referred to above is to purchase 800 acres -- twenty contiguous claims numbered S134888 to -91 inclusive, 135353, 136371, -72, and -78, 137385, 137423 to -26 inclusive, 137622 and -23, and 140891 to -94 inclusive -- covering much of the easterly part of the Acme block.

The option calls for a final payment of 100,000 shares (90% escrowed) of stock in Acme Gas & Oil Co. Ltd.

GEOLOGY

The geology of the property is described in detail in an earlier report. The Matinenda Formation, quartzite with quartz pebble conglomerate interbeds, is the host rock in which are found all of the uranium orebodies of the Blind River - Elliot Lake - Agnew Lake area. This favorable formation crosses the Acme property for a strike length of about three and one-half miles. Of this length one and one-half miles lies within the above optioned claims.

In optioned claims S137423 and 24, there are numerous outcrops of uranium-bearing quartz-pebble conglomerates. Limited exposure, faulting, and gabbro intrusives obscure relationships, but there would appear to be at least three distinct uraniferous conglomerate horizons.

Rock trenching and sampling of these conglomerates during the winter of 1966 - 67 gave erratic values, some of the better of which are 1.56 lb. U_3O_8 /20 feet, 1.8 lb./4.5 feet, 8 lb./1.5 feet and 4 lb./5 feet, interspersed with numerous samples carrying a fraction of a pound U_3O_8 .

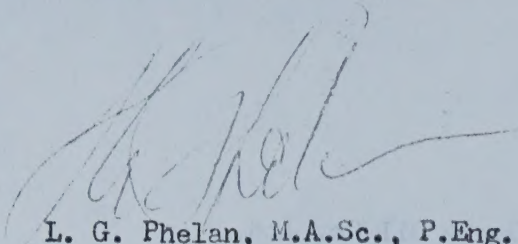
There is some question as to whether trenching penetrated beneath the leached and weathered zone, which may account for the wide spread in values.

Since that time work has been concentrated in the westerly part of the property, where diamond drilling is in progress some distance removed from these optioned claims, so the showings have not yet been evaluated thoroughly.

CONCLUSION

Acme holds a very promising uranium prospect. The optioned claims cover about 40% of the most favorable portion of the property. I would recommend that the option be exercised.

Respectfully submitted,



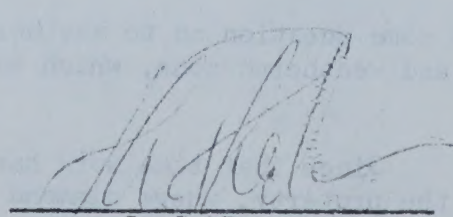
L. G. Phelan, M.A.Sc., P.Eng.
Consulting Geologist

CERTIFICATE OF QUALIFICATION

I, Leo Gerard Phelan, do hereby certify that:

1. I am a practising consulting geologist with offices at 80 Richmond Street West, Toronto 1, Ontario.
2. I am a graduate of the University of Toronto and have been granted the degrees of Bachelor of Applied Science in 1947 and Master of Applied Science in geology in 1949.
3. I am a member of the Associations of Professional Engineers of Ontario, Manitoba, and British Columbia, a member of the Canadian Institute of Mining and Metallurgy and a fellow of the Geological Association of Canada.
4. I have no interest direct or indirect in the properties or securities of Acme Gas & Oil Co. Ltd. nor do I expect to receive any such interest whatsoever.
5. Information in this letter is based on my knowledge of the Agnew Lake area, and on reports by L. Cunningham, P.Eng., and on Company records.

August 30, 1968
Toronto, Ontario



L. G. Phelan

ACME GAS & OIL CO., LIMITED

PHONE: 362-6855

1705 VICTORY BLDG. - 80 RICHMOND ST. WEST
TORONTO 1, ONTARIO

March 14th, 1966.

To the Shareholders,
Acme Gas & Oil Co., Limited.

At the Annual Meeting of Shareholders held today the business as set out in the Notice of Meeting was dealt with. The Directors were re-elected and the Auditors re-appointed. The President reported to the shareholders as follows:

"Ground geophysical surveys over the north group of claims in Eldorado Township - Timmins Area of Ontario - have indicated five electromagnetic (E.M.) conductors all of which appear to be coincident with aerial E.M. conductors and two conductors coincident with and three on the flank of magnetic anomalies. Soil sampling results in this area include some high nickel returns. These conductor-anomalies, located about 5 - 6 miles west of the nickel deposit being explored by Mining Corp.-International Nickel in Langmuir Township and believed to be in geological settings somewhat similar to that deposit, are now ready for testing by diamond drilling which it is planned to carry out later in 1966.

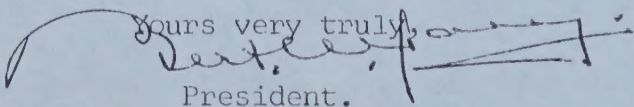
The two aerial E.M. conductors in McArthur Township - Timmins Area - 4,000 ft. and 5,000 ft. long - which appear to be located on the flank of high magnetic anomalies and are indicated by soil sampling results to be nickel bearing, will be checked on the ground with soil sampling, electromagnetic and magnetic surveys and tested by diamond drilling during 1966.

In the Bathurst-Newcastle district of New Brunswick the Company has recently increased, by staking, its holdings to about 1,000 claims or 40,000 acres. These claims are mainly located in a relatively unexplored area which is believed to be underlain by geological formations somewhat similar to that at the principal mines in New Brunswick. Ore grade possibilities may be indicated by two pieces of mineralized float picked up near the centre of this area - one assayed 5% copper and the other was high-grade lead-zinc-silver material with gross assay value in excess of \$50.00 per ton. Exploration now underway consists of soil sampling which will be followed by electromagnetic and induced polarization surveys and testing by drilling of such areas as so warrant.

The Company holds ten townships with an area of about 350 square miles, located in Western Ontario about 20 miles north of Michipicoten Harbour, under the terms of a 3-year working option granted by Algoma Central Railway, which option is subject to the approval of The Toronto Stock Exchange. These ten townships cover for a length of 30 miles a wide band of geological formations favourable for the deposition of base metals. Stream or silt sampling over parts of four townships has yielded interesting copper and zinc results indicating the existence of copper-zinc deposits. A major search for orebodies is planned to be initiated in April with an aerial survey over the greater part of the area with lines to be flown at close intervals. Areas of interest indicated by the results of the aerial survey will be checked on the ground by soil sampling, electromagnetic, magnetic and induced polarization surveys followed by drilling to test such conductors and anomalies as are believed to indicate bodies of mineralization.

Subject to the approval of The Toronto Stock Exchange, an offering will be made to the registered shareholders of 700,000 shares at 30¢ per share. This offering will be underwritten to assure receipt by the Company of at least \$105,000. The underwriter will be granted the right to subscribe for any part or all of the balance of the 700,000 shares not subscribed for by shareholders. An offering in 1964 to shareholders of 700,000 shares at 25¢ per share was fully subscribed.

Your Company plans to continue an aggressive search for orebodies in Ontario, Quebec and New Brunswick."

Yours very truly,

President.

